

# Herald Tribune

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## Singapore Carries Out Caning of U.S. Teenager

### He Receives 4 Lashes for Vandalism; Clinton Calls Sentence 'a Mistake'

By Philip Shenon

SINGAPORE — Michael P. Fay, the 18-year-old American at the center of a turbulent cross-cultural debate over crime and punishment, received four lashes of a rattan cane on Thursday for a crime he insists he did not commit.

The Singapore Prisons Department said the flogging, a punishment that results in permanent scars and is usually so painful that prisoners go into shock, was carried out in the prison where Mr. Fay is serving a four-month sentence for spray-painting cars and other acts of vandalism.

In a statement, the department said the 18-year-old American was examined by the prison's doctor after the caning and found to be in satisfactory condition.

The government made public no other details on the condition of Mr. Fay, who has lived here since 1992 with his mother and stepfather.

Hours before the flogging, Mr. Fay was visited in prison by his lawyers. He is nervous and scared but is prepared to take it, Dominic Nagendran, one of the lawyers, said after the meeting. "He will grit his teeth when he is caned."

On Wednesday, the government of this authoritarian city-state turned down Mr. Fay's final plea that he be spared the flogging, but it reduced the number of lashes from six to four in what it said was a gesture of good will for President Bill Clinton, who had asked that the sentence be commuted.

In Washington on Thursday, Mr. Clinton said of the flogging, "I think it was a mistake, as I said before, not only because of the nature of the punishment related to the crime but because of the questions that were raised about whether the young man was in fact guilty and involuntarily confessed."

Mr. Fay signed a police statement in October confessing to a 10-day vandalism spree in which he and several other foreign youths spray-painted several cars, including one owned by a Singapore court officer, and tossed eggs at other vehicles. Mr. Fay also pleaded guilty to possessing stolen Singapore flags and road signs.

But Mr. Fay has since recanted, insisting

that he is not guilty. He has alleged that the confession was coerced by the police during a nine-day interrogation in which he was repeatedly punched, slapped and deprived of sleep.

The police have denied that Mr. Fay was beaten. Mr. Fay's family has said that the teenager pleaded guilty to vandalism only after they received assurances that he would not be caned.

In defending the decision to flog the teenager, government leaders here have argued that Singapore's safe streets vindicate their harsh criminal laws and tough punishments. Opinion polls in the United States have suggested that millions of Americans, fed up with rampant crime in their own neighborhoods, believe that Mr. Fay is only getting what he deserved.

After learning that the flogging had been carried out, George Fay, the teenager's father, said in a telephone interview from Ohio that he was "relieved that this brutality is behind us" and that he wanted a doctor selected by the U.S. Embassy to visit his son as soon as possible.

"The Singapore authorities say that Mike is fine, but that's their word, and at this point in time, I'm not inclined to believe them," he said. He described the flogging as "a double whammy — first, there's the brutality of it, and second, there's every indication that there has been a miscarriage of justice."

Mr. Fay said he believed that the government had carried out the punishment hurriedly in hopes that his son's wounds would be healed before his release from prison, which is expected next month. "They don't want the world to see him limping out of prison," Mr. Fay said. "It's cynical and brutal."

According to official descriptions of a flogging, prisoners are tied by their wrists and ankles to a wooden trestle and are then struck on the bare buttocks by a four-foot rattan cane moistened with water to prevent it from fraying.

Prisoners who have been caned say the punishment, which is routine in Singapore, is excruciatingly painful and results in heavy bleeding. The government said nine other prisoners were flogged on Thursday.



An Israeli soldier in the Gaza Strip adjusting an olive branch decorating his army jeep, as the occupying Israelis prepared to pull out.

## Is Self-Rule's Happy Ending Over?

By Clyde Haberman

GAZA — The original screenplay called for a happy ending: two old enemies reconciled at last, emerging from long, hard negotiations arm in arm, imbued with a mutual trust once unimaginable.

But as Foreign Minister Shimon Peres of Israel observed a few months ago, the problem with this movie called the Israeli-Palestinian peace talks is that the happy ending came at the beginning, with the celebrated handshake at the White House by the two leaders, Yitzhak Rabin and Yasser Arafat.

By the time the first reel was finished on Wednesday — with final agreement on the

details of Palestinian self-rule for the Gaza Strip and Jericho — there were few illusions left about the state of relations between Israel and the Palestine Liberation Organization.

Far from producing reconciliation, the talks

had confirmed for each side some of its worst suspicions about the other.

Mr. Rabin, announcing that Mr. Arafat had asked for a few more weeks to get ready to take charge in Gaza and Jericho, all but dismissed the PLO as a band of dilettantes more concerned with symbols like postage stamps and telephone area codes than the brass tacks of

governing. The Palestinians had months to prepare but frittered away the time, Israeli officials said.

Especially galling for them was Mr. Arafat's last-minute theatrics on a Cairo stage, where suddenly he refused for a while to sign six maps that were part of the detailed, hard-won agreement.

"The level of trust will not be so high" after that performance, said Uri Dromi, a government spokesman — not that Israeli faith in the reliability of the PLO chairman was stratospheric to begin with.

For their part, many Palestinians have come away from this phase of the peace talks more

### NEWS ANALYSIS

See MIDEAST, Page 7

## Senior State Dept. Aide Warns White House of Pitfalls in Asia Policy

By Daniel Williams and Clay Chandler

WASHINGTON — Five months after President Bill Clinton proclaimed the birth of a new Pacific community of cooperative trade and shared interests, the State Department's senior Asia head has warned in a letter to Secretary of State Warren M. Christopher that U.S.-Asian relations are being

infected by a "malaise" of disputes over human rights, trade and other concerns.

The recent letter, by Assistant Secretary of State Winston Lord, made recommendations apparently designed to head off problems before they become acute and lengthen the administration's list of foreign-policy woes.

The message represents a sharp departure from the optimism expressed by Clinton in late November at a meeting of Asian and Pacific leaders in Seattle, where he compared

creation of the community to, among other things, the signing of the Declaration of Independence.

Mr. Lord listed several examples of a downward drift, all symptoms of the eclectic range of administration interests: the tug-of-war with China over human rights, trade disputes with Japan, arms proliferation battles with China and Thailand, endangered species disagreements with Taiwan, conflicts over workers with Malaysia and Indonesia and the controversy over Singapore's flogging of an American teen-

ager convicted of vandalism. "Some of the frictions are inevitable bumps in the road," Mr. Lord wrote. "The confidence of these individual events, however, has fostered malaise, eroding the sense of optimism and partnership forged in Seattle."

The appraisal comes at a particularly sensitive time for the administration. Within a month, Mr. Christopher must

See ASIA, Page 3



ON TO SOMETHING BIG — Police with a dog trained to sniff out explosives during training at the French end of the Channel Tunnel. President François Mitterrand and Queen Elizabeth II are to inaugurate the tunnel Friday, Page 2.

## Helicopter Crash Kills 2 Near N.Y.

NORTH BERGEN, New Jersey (AP) — A helicopter crashed Thursday in a commuter parking lot near the Lincoln Tunnel, killing at least two people, authorities said. The helicopter crashed into a park-and-ride lot along Interstate 495, which leads in and out of the tunnel that runs under the Hudson River between New Jersey and New York City. Both lanes of busy Route 3 and the New Jersey-bound lanes of the tunnel were closed because of the accident.

The crash spewed flames that set fire to at least 12 cars, officials with the Port Authority of New York and New Jersey said.

## China's Reforms Could Founder In Sea of Debt

By Patrick E. Tyler

WUHAN, China — When in times past a blast furnace opened at the Wuhan Iron and Steel Co. to disgorge its fiery load onto the conveyor, it was another installment in communism's social contract for the 200,000 workers, dependents and pensioners whose welfare was guaranteed by the state.

Now nothing is certain in Wuhan, and the threat of domestic political upheaval here and in the rest of China is growing.

Five state-owned factories went bankrupt last year. Plant shutdowns have idled 50,000 workers and, by some estimates, several times that number have been sent home without pay by managers slashing work forces.

A mob of pensioners recently commandeered cars and trucks to block a key bridge over the Han River to protest the erosion of their pensions by rising prices. Inflation is now running at 25 percent a year in big cities.

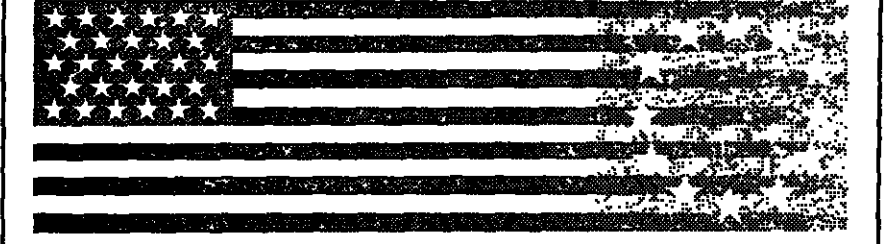
And the managers at Wuhan Steel have pushed 70,000 of their 120,000 workers into eight subsidiary companies and told them they will ultimately have to fend for themselves.

To smooth the exit of the 70,000, Wuhan Steel's management agreed to pay them \$92 a month in 1993 to supplement lower wages in the subsidiary companies. The supplement dropped to \$46 a month this year, and in 1995, the last year, it will drop to \$23 a month.

"We are helping the workers mount a horse

See CHINA, Page 6

## Fifty Years After D-Day



For the next two articles in this series, the subject is economics. Karl Otto Pöhl, president of the German central bank from 1980 to 1991, writes of the realities that finally came to dictate economic strategy.

And David P. Calleo, Dean Acheson Professor at the Johns Hopkins Nitze School of Advanced International Studies, puts the trans-Atlantic clash of ideals into historical perspective. Both articles appear Monday.

## Not-So-Red Oskar Slams the Bundesbank

By Alan Friedman

SAARBRÜCKEN, Germany — It's obvious that Oskar Lafontaine, an outspoken politician who is likely to be named German finance minister if the Social Democratic Party wins in October, would lambaste the economic policies of the current party in power as the root of the country's economic problems.

Quite simply, he says, the government of Chancellor Helmut Kohl has "no knowledge of economics."

But then Mr. Lafontaine reaches beyond the normal target of the opposition politician and goes after Germany's independent Bundesbank as well, saying it has been responsible for serious mistakes that have prolonged the country's recession.

Investment by German companies is being "strangled," said the deputy chief of the Social Democrats, who is also premier of the tiny state of Saarland. Consumer spending remains depressed, he added, thanks to Bundesbank obduracy about interest rates.

He singled out as especially "wrong" the Bundesbank's decision two years ago to raise the discount rate to 8.75 percent from 8 percent during a recession, and he attacked the central bank's policy since then of making only gradual reductions in rates, saying this had further contributed to Germany's economic slump.

Now that the Deutsche mark has appreciated against the U.S. dollar, he urged that the Bundesbank "take advantage of the strong mark and cut interest rates."

Mr. Lafontaine's criticism of the Bundesbank came during a wide-ranging interview at

## ANC Heads Toward Full Control in South Africa

### Sharp Reaction Possible From National Party; Mandela Stresses Calm

Compiled by Our Staff From Dispatches

JOHANNESBURG — Voting results in South Africa's first all-race election continued to trickle in on Thursday and were propelling the African National Congress toward a victory of such proportions that it could be politically embarrassing.

The latest available results showed the ANC moving toward a two-thirds majority of the vote, and political sources said that could bring a sharp reaction from the National Party.

Such a lead would give the African National Party power, if it chooses, to redraft the new constitution, a prospect dismaying to rivals.

The National Party of Africa's last white president, Frederik W. de Klerk, has already

Indications are that Inkatha will score a surprise victory in KwaZulu-Natal, Page 2.

conceded victory to the African National Congress and its president, Nelson Mandela, who will be inaugurated on Tuesday as the country's first black president.

Mr. Mandela stressed during a visit to the Soweto township on Johannesburg's outskirts that his party did not intend to rule autocratically, and he refused to speculate on the size of the party's national vote.

There was no need to speculate on the final election result, he added. "The facts will establish whether the ANC will get two-thirds," he said.

It was not clear when the vote counting would be completed. The Independent Electoral Commission, embarrassed by logistical chaos and apparently victimized by sabotage, promised only that the results would be ready by Tuesday, for Mr. Mandela's inaugural.

Figures issued by the commission gave the African National Congress 65.2 percent of the 17 million votes counted, out of a possible 23 million, for the 400-seat National Assembly.

The National Party had 20.5 percent, the Inkatha Freedom Party 7.9 percent and the white rightist Freedom Front 2.1 percent.

A two-thirds majority would in theory give Mr. Mandela's party a free hand in formulating a new constitution, which alarms the National Party and Inkatha. But the ANC would be bound by a set of constitutional principles hammered out by political parties in three years of democracy negotiations, and a constitutional court will also oversee the process.

The African National Congress has repeatedly said that it has no wish to impose its will without consultation with other groups.

The prospect of a huge victory for a party with a socialist background sent shivers through financial markets early Thursday. But they settled down later in the day with some dealers forecasting a "cordial agreement" on power sharing.

The newspaper Business Day quoted the chairman of the Electoral Commission, Judge Johann Krieger, as saying he expected the political parties to manipulate results to resolve disputes and irregularities in the voting.

"Let's not get overly squeamish about it," Judge Krieger said. He said the commission had not been asked to certify the results as accurate, but as free and fair.

Sources close to the National Party said it believed it to be inconceivable that the party had received only 3 million votes — despite the fact that blacks lived under its apartheid rule for 40 years.

They said they suspected fraud and believed the party would demand an audit of all complaints submitted to the commission on voting irregularities, if the ANC ended up with more than two-thirds and the National Party with such a small total. The commission has received about 1,000 complaints. (Reuters, AP)

## To Read This: Start at Left, Go Down, Up, Maybe

By James Barron

NEW YORK — Peter Jordan is a writer. Like Ernest Hemingway, he turns out short, plain, punchy sentences. Like Danielle Steele or Stephen King, he is widely read: his last work went through several big printings.

But his success has not gone to his head. Unlike monster-salary, monster-ego authors, he is self-effacing. "When people say, 'I loved this,' I almost say, 'I'm sorry you had to read it,'" he declared.

Mr. Jordan, 34, writes instruction manuals for Sony television sets, stereo receivers, compact disc players, clock radios and videocassette recorders. His goal is to get consumers to do what many consider the impossible: set the VCR clock so that it does not flash 12:00 day in and day out. And maybe, just

maybe, program the machine to record the right channel, at the right time.

He is one of a new generation of technical writers whose assignment is to prepare manuals that users can actually use. He is not alone. Thomson Consumer Electronics, which makes RCA, GE and Proscan home appliances, hired cognitive psychologists in its quest for easier-to-follow manuals.

Writing an instruction manual may sound like a no-brainer. But universities like Carnegie Mellon in Pittsburgh now offer master's degrees (in professional writing) and doctorates (in rhetoric) for manual-writers, and just last month the Fashion Institute of Technology in New York City had more than 300 manuals on display.

Three hundred manuals, and still no one can explain why following one is a no-can-do for so many people. A substantial number of VCR owners never program their machines, despite

innovations that dramatically cut the number of steps that have to be followed.

Jonathan Price, the author of several books about technical writing, says: "I've had managers from companies that make VCRs say, 'I read our manual, and I still can't set it for next week.'"

"Or phone systems. They read through pages and pages and then go blank when they have to transfer a call."

Mr. Jordan said the ideal manual would be so simple that it would make sense to someone who couldn't read.

"Rather than make instructions clear in words," he said, "it has to be more intuitive. There has to be less emphasis on actual explanation. For every innovation, it takes that much more out of the instruction manual for people to read."

In other words, Mr. Jordan favors what David Peters, a

See VCR, Page 3

### Newsstand Prices

|             |             |              |             |
|-------------|-------------|--------------|-------------|
| Andorra     | 9.00 FF     | Luxembourg   | 60 L Fr     |
| Antilles    | 11.20 FF    | Morocco      | 8.00 Riels  |
| Cameroon    | 1.40 CFA    | Qatar        | 11.20 FF    |
| Egypt       | E.P. 500    | Reunion      | 90 CFA      |
| France      | 9.00 FF     | Saudi Arabia | 3.00 R      |
| Gabon       | 900 CFA     | Senegal      | 200 PTAS    |
| Greece      | 300 Dr.     | Spain        | 1.00 Din    |
| Italy       | 2.00 Lire   | Tunisia      | T.L. 35,000 |
| Ivory Coast | 1.120 CFA   | Turkey       | 8.50 Dirh   |
| Jordan      | J.D. 1.50   | U.A.E.       | 8.50 Dirh   |
| Lebanon     | U.S.\$ 1.50 | Mil. (Eur.)  | €1.70       |

### Dow Jones

|            |          |                |        |
|------------|----------|----------------|--------|
| Down       | 1.78     | Down           | 0.57%  |
| 3695.97    |          | 110.23         |        |
| The Dollar |          |                |        |
| New York   | 1.4885   | previous close | 1.4845 |
| DM         | 1.4885   | 1.502          |        |
| Pound      | 1.02.835 | 101.845        |        |
| Yen        | 57.113   | 5.664          |        |
| FF         |          |                |        |



# Queen and President Shape a Golden Start for Channel Tunnel

By Barry James  
International Herald Tribune

PARIS — Although most ordinary mortals will not be able to use the link for several more months, President François Mitterrand and Queen Elizabeth II will formally inaugurate the Channel tunnel Friday in ceremonies on both sides of the channel.

They will gather near the historic Field of the Cloth of Gold, where English and French monarchs met in the 15th century, and declare the tunnel open in France. Then, after lunch, they will drive in the queen's Rolls-Royce to a shuttle train for the 50-kilometer, 35-minute crossing beneath the Straits of Dover to Folkestone, where white cliffs glisten across the water.

The tunnel is the most ambitious civil engineering project in Europe this century, and is the culmination of two centuries of dreams about linking Britain to the Continent by tunnel, bridge or causeway.

Technically, some argue, Britain lost its island status Dec. 1, 1990, when French and British workers first met in one of the three tunnels that make up the link. It has taken about a year longer than expected to complete the installation and equip it for traffic.

Psychologically and politically, though, Britain still tends to think like an island. It is often the odd

## A Language to Avoid Cross-Purposes

International Herald Tribune

PARIS — How will the British bobbies say "ello, ello, ello" and the French flics demand "vos papiers" when the Channel tunnel opens for business?

The answer is in "PoliceSpeak," the language for cross-channel cops.

"It is not a kind of Esperanto or anything like that," said Inspector John Gledhill of the Kent County Constabulary, a keen linguist who is in charge of the PoliceSpeak project.

"It's an attempt to look at the language used in police communications that can be standardized."

The project essentially looks at which words should be selected, or rejected, to make meaning absolutely clear.

Take a word like "caution." This is the formal warning that a British policeman must give to any

arrested person that anything said from that point may be used in evidence.

But in French, a caution is a fine in one context, bail in another, or purchase deposit in a third.

So this is a word that PoliceSpeak would probably leave out.

The language builds on the experience of developing AirSpeak for pilots and air traffic controllers, and SeaSpeak for maritime communications.

But PoliceSpeak is more complex because of the large range of circumstances with which the police have to deal.

Meanwhile, the British and French police are also setting up a bilingual text messaging system based on computer translation. A message typed in English will emerge the other end in French, or vice versa. Again, the system — based on the experience of the Royal Canadian Mounted Police — depends on a precise use of specific language.

turn to use the service. Full passenger operations may not be established until summer next year.

The first to benefit from the tunnel will be the freight shippers. Trains carrying freight and a limited shuttle service for trucks may start as early as next Monday.

Eurotunnel says that the delay in building up to full operations is due to the tardy delivery of rolling stock and the need to carry out operational and safety checks.

The tunnel builders have had to haul out 10 million tons of chalk and pour in about 100 billion francs of investment since Mr. Mitterrand and Margaret Thatcher shook hands on the deal in 1986, when she was Britain's prime minister. In addition, both sides have made enormous investments in new or improved roads and France has built a dedicated track for high-speed trains from Paris to Calais.

The trains will have to slow from more than 300 kilometers an hour to about half that speed in Britain because a special high-speed track on the other side is still many years away. Its completion will cut the journey time from three hours to two and a half, making the trains even more competitive with the airlines.

The car shuttle crossings will take about one hour, including customs and immigration formalities — about the same as cross-channel Hovercraft services from Dover to Calais but about half an

## WORLD BRIEFS

### Clinton Sets Limits on Peacekeeping

WASHINGTON (Reuters) — President Bill Clinton has moved to rein in American involvement in peacekeeping around the world by setting stricter guidelines for involvement, the White House announced Thursday.

"Peace operations are not and cannot be the centerpiece of U.S. foreign policy," said the White House press secretary, Dee Dee Myers, in a statement on the new policy.

The chief U.S. representative at the United Nations, Madeleine K. Albright, told a House of Representatives panel that the administration had already begun demanding that operations be better thought-out before they were launched. "We are now insisting, for example, that the Security Council address the key questions of scope, mission, duration, resources and risk before, not after, new peacekeeping obligations are undertaken," she said.

### American Arrested as Spy for Stasi

BONN (AP) — An American expatriate working at Germany's government nuclear research center has been arrested on charges that he spied for East Germany until 1989, security sources said on Thursday.

The man has been identified as Jeffrey Schmitz, 52, a former sociologist. Mr. Schmitz's wife, Beatrice Altman, is also under investigation for espionage, according to Anne Riehl, her attorney.

The federal prosecutor's office said that a "Dr. S." who has worked at the nuclear research center since 1980 and before that was at a German university, "delivered a multitude of information and documents" to the Stasi, the East German security agency, from 1977 to 1989. Miss Riehl confirmed that the man was Mr. Schmitz.

### Sweden, in Shift, Signs With NATO

STOCKHOLM (AP) — The government loosened up a long-standing policy of nonalignment on Thursday and decided to enroll this neutral country in NATO's program Partnership for Peace.

"The parliament gave its approval and the government has taken the formal decision," said Henrik Norman, a Foreign Ministry official. Sweden is scheduled to sign a membership document at NATO headquarters in Brussels on Monday, along with its neighbor Finland, another neutral country.

So far 15 former East Bloc nations have signed the program which includes military cooperation and joint training but stops short of full membership. Sweden and Finland are the first neutral countries to sign up.

### China Snubs Patten on Home Turf

HONG KONG (Reuters) — China is conducting high-profile talks with its Hong Kong ally on Governor Chris Patten's home turf this week to prepare for the colony's return to Chinese rule and to demonstrate that Mr. Patten's attempt to "go it alone" will fail. Mr. Patten and pro-democracy parties in Hong Kong have not been invited.

Overseen by Lu Ping, who is director of China's Hong Kong and Macao Affairs Office, the Preliminary Working Committee is meeting on key issues such as the future of the electoral system and civil service. This is the committee's first session in Hong Kong; it met previously in China. It consists of Chinese officials and pro-China colony residents.

### Sihanouk May Seek Foreign Arms

PHNOM PENH (AP) — The United States and other nations should arm Cambodian government forces if the Khmer Rouge keeps fighting, King Norodom Sihanouk said Thursday. He made the suggestion in a talk with journalists.

The king also said that in recent fighting, Khmer Rouge guerrillas had burned down "hundreds of houses and they raped girls, even the young wives of KPNLF soldiers who were sent to Pailin." He was referring to soldiers of the Khmer People's National Liberation Front, former allies of the Khmer Rouge. The Khmer Rouge president, Khieu Samphan, supported the king's proposal for a nationwide truce, but expressed doubts any cease-fire would hold.

On foreign aid, the king said that if fighting continued "then there is no other solution except for the arming of the royal army by all countries which have an interest in keeping Cambodia as 'one country.'" He mentioned the United States, France and Australia.

### For the Record

Police in Gloucester, England, said they had found the remains of a young girl. The discovery brought the total number of bodies discovered in the investigation to 11. It was the third excavation site in the case involving the suspect, Frederick West. (Reuters)

## TRAVEL UPDATE

### Ivory Coast to Lift Ban on Hunting

ABIDJAN, Ivory Coast (AFP) — Ivory Coast plans to lift a 20-year-old ban on hunting game in a bid to raise tourist revenue and promote employment, the government announced Thursday.

The ban, imposed in 1974, has not achieved its aim of protecting the country's wildlife because of poaching and smuggling, the statement said. The Agriculture Ministry estimated that smuggling accounted for 65,000 tons of game each year and represented an annual tax loss of \$86 million.

Wildlife also provides food, the statement said, in part making up for shortages in meat production. The government had decided to adopt a "realistic solution," rather than put up with "unregulated slaughter, often leading to imbalances among species and even to the extinction of some of them," the statement said.

### German Hate Acts Are Less Violent

The Associated Press

BONN — The federal police reported 219 crimes motivated by hatred for foreigners in March, an increase of 14 over February, the government said Thursday.

But Germany's internal intelligence bureau said most of the acts were non-violent crimes like spray-painting swastikas.

Violent rightist acts have declined this year, according to Hans-Gert Lange, spokesman for the Office for the Protection of the Constitution. Between Jan. 1 and April 22, there were 438 rightist attacks, compared with 699 in the same period last year.

Mr. Lange attributed the decline in violence this year to more rigorous sentencing by judges, such as the life sentence handed out in December to a 26-year-old man convicted of killing three Turks in a firebombing.

## Bill to Outlaw Some Uses of English Nears Approval in French Legislature

Compiled by Our Staff From Dispatches

PARIS — The National Assembly on Thursday approved a bill intended to protect the French language, introducing fines for the public use of English when a French word is available.

The measure, which imposes fines of up to 20,000 francs (\$3,500), was backed by the governing coalition of the Union for French Democracy and the Rally for the Republic. Socialist and Communist legislators abstained.

The bill, introduced by Culture Minister Jacques Toubon, now returns to the Senate for a second vote. It is virtually certain of final passage.

In the Assembly debate Wednesday, Didier Mathus, a Socialist, denounced the measure as "unenforceable" and charged that it gave the French language an image of being "narrow and defensive."

The French Academy of Science warned Wednesday that the legisla-

tion would "seriously compromise French scientific influence" and would also damage French culture and language in the world.

The bill stipulates that notes in French, or simultaneous interpretation, must be available at international conferences held in France and organized by French nationals.

The scientists said the law would make it practically impossible to hold scientific seminars in France for organizational and financial reasons.

The press has mocked the bill, and polls indicate that the French people have no intention of changing their English-laced speech. But for France's language guardians, it is not a joke.

"It's an extremely serious question," Mr. Toubon said Wednesday. "It goes to the heart of our country's place in the world."

A type of commercial English was spreading through France and the French were using it out of "snobbery," Mr. Toubon said.

"Let us take what we need to enrich the language from Saint-Denis rather than from Brooklyn," he argued. Saint-Denis is a working-class suburb of Paris.

The bill requires the use of French in all print and audiovisual advertising. An amendment specifically rules out using trademarked slogans as a loophole — the Nike shoe company, for example, presumably would have to translate "Just Do It" when it advertises in France.

The bill says a dictionary of 3,500 terms and technical expressions published on March 15 will be the bible for France's language police. The dictionary outlaws such English words as airbag, walkman, crash, scoop and software, and provides French equivalents.

The bill says French will be compulsory on public notices and in work contracts, restaurants and in public transport and during lectures and debates. (AFP, AP)

## Italy Rejects EU Alarm On Any Neofascist Role

Reuters

ROME — Italy's National Alliance political bureau, at a news briefing on Thursday, said the European Parliament is interfering in Italian domestic affairs after the assembly raised the alarm about the possible presence of neofascists in Silvio Berlusconi's new conservative government.

President Oscar Luigi Scalfaro, in a terse statement, in effect told the Strasbourg parliament to stay out of his country's affairs. He said Italy, a founder member of the European Community, "needs no reminders and no lessons."

The European Parliament said in a motion Wednesday that EU countries needed to make it clear to Mr. Scalfaro that the new government must "remain faithful to the fundamental values underlying the creation of the European Community."

This was clearly directed at the prospect of the National Alliance's sharing power in a coalition government led by Mr. Berlusconi.

"The fascist peril in Italy does not exist," said Gustavo Selva, a

member of the National Alliance political bureau, at a news briefing on Thursday.

"The European Parliament is interfering in Italian politics," he said. "It is not for this parliament to judge an electoral result. We have to accept the people's decision."

Italian newspapers called the motion an open demand for Mr. Scalfaro to veto the appointment of any ministers from the neofascist Italian Social Movement.

That party, made up of political heirs of Mussolini, is the key force in the National Alliance front that shared in Mr. Berlusconi's triumph in March general elections.

"Italy's faithfulness to the values and principles which are at the basis of the constitution of Europe is clear and beyond discussion," Mr. Scalfaro said in a statement. "It needs no reminders and no lessons."

Mr. Berlusconi's spokesman, Antonio Tajani, said: "Berlusconi has said more than once that there will be no fascist ministers."

Senior political sources expect him to exclude Italian Social Movement members from his cabinet or to choose members of that party who are young enough not to have been involved with Fascism in World War II.

## González Asserts He Won't Quit

Reuters

MADRID — Prime Minister Felipe González on Thursday brushed aside calls for his resignation and vowed to stay in office to fight cases of official corruption that have shaken his Socialist government.

At a news conference, Mr. González named replacements for his interior and agriculture ministers who resigned this week in corruption scandals.

Mr. González also accepted the resignation from their parliamentary seats of former Interior Minister José Luis Corcuera and former Economy Minister Carlos Solchaga Catalan.

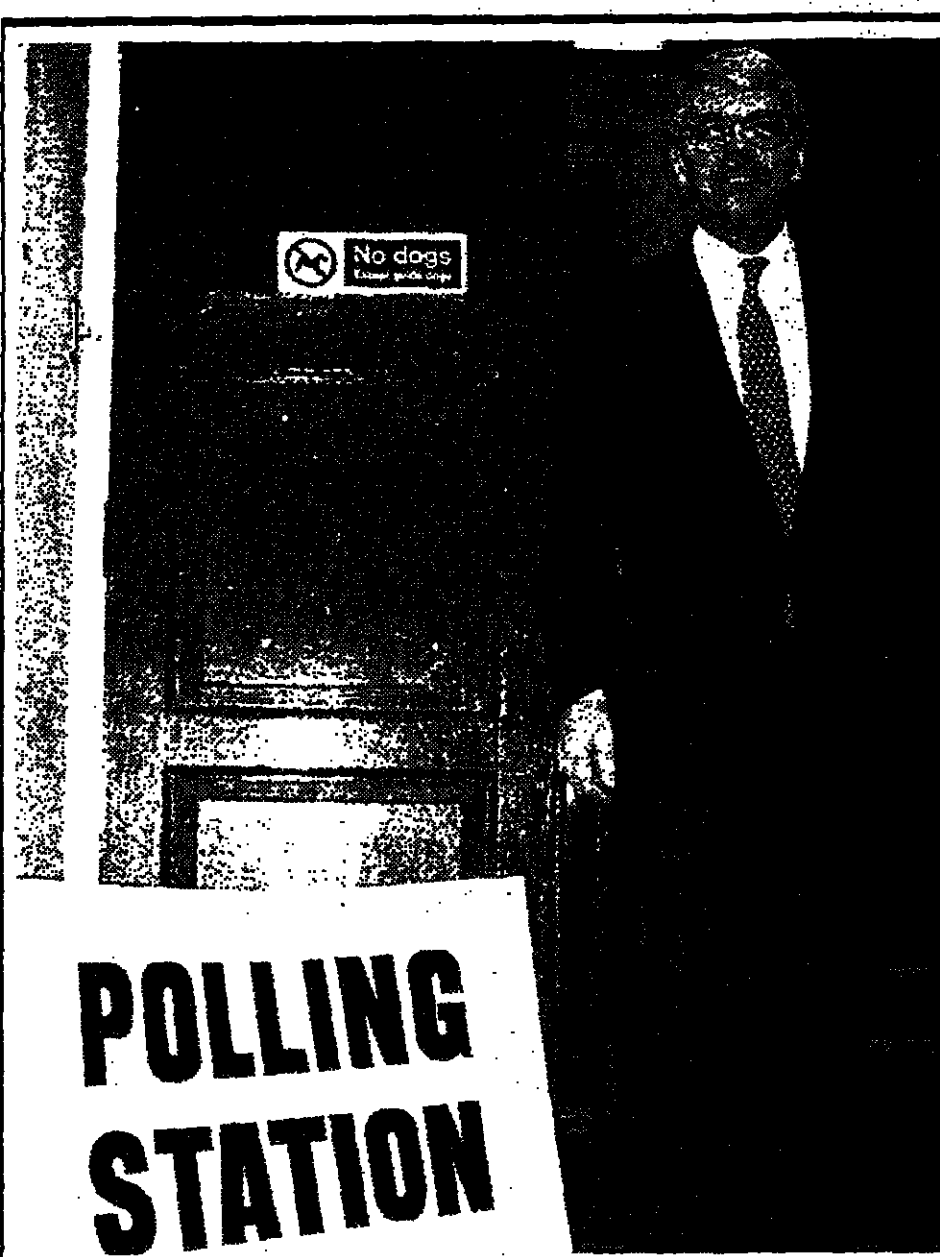
Catalan nationalists had demanded that the two go as their price for supporting the government.

Mr. González said that his government still enjoyed parliamentary support and that he had no intention of calling early general elections.

In recent weeks allegations of tax fraud against a former Bank of Spain governor, Mariano Rubio Jiménez, and charges of embezzlement against Luis Roldán Ibáñez, have, former chief of the Civil Guard, left the Socialists with their worst political crisis in almost 12 years.

Mr. Rubio and Manuel de la Concha, the broker who handled his financial affairs, were taken into custody in Madrid on Thursday, charged with defrauding the state.

Mr. Roldán disappeared after an arrest warrant was issued.



HEADING FOR A FALL — Prime Minister John Major striding out of a London polling station after voting in local elections Thursday. His governing Conservative Party appeared headed for a thrashing by Labor and Liberal Democrats, the BBC projected. The projections gave Labor 44 percent, up 4 percent from the 1990 local elections. The Tories were projected to get 27 percent, a fall of 5 percent. The Liberal Democrats appeared to be up 5 percent from 1990.

## Tally Points to Regional Inkatha Victory

By Paul Taylor

Washington Post Service

JOHANNESBURG — With the vote counting in South Africa's first democratic election bogged down by apparent computer tampering, there are unofficial indications that the Zulu-based Inkatha Freedom Party will score a surprise victory in South Africa's strife-torn region of KwaZulu-Natal.

If the unofficial tally in KwaZulu-Natal is certified, it would mean that, despite a nationwide landslide of more than 60 percent, the African National Congress will lose two of the nation's three most populous provinces. It lost Western Cape, which includes Cape Town, to the incumbent National Party.

None of these results is likely to be official before the weekend, in part because computer sabotage has forced the Independent Electoral Commission to resort to a slower, manual reporting procedure, and in part because charges and countercharges of vote fraud in KwaZulu-Natal still await a political settlement.

In the computer tampering, someone appar-

ently inserted a program into the election commission's main computer that added a few percentage points worth of votes on a slow, incremental basis to a number of smaller parties.

The sabotage was discovered when the computer tallies did not square with hand summaries of reports from 800 counting stations around the country. The number of votes involved was only in the thousands, and corrections have been made.

Ballot counting is virtually completed in KwaZulu-Natal. According to one election commissioner, Chief Mangosuthu Buthezi's Inkatha party has received at least a plurality and perhaps a majority of the region's votes. The African National Congress has come in second, and the National Party, a potential coalition partner in the region with Inkatha, has come in third, with about 10 percent.

No numbers are firm, however, because the ANC has claimed massive vote fraud, amounting to hundreds of thousands of votes in a province where about 4.5 million ballots were cast. It claims there was widespread stuffing of

ballot boxes at "pirate" voting stations under the control of the Buthezi-led KwaZulu "homeland" government, where no outside observers were present.

Chief Buthezi said Wednesday it was "very mean" of the African National Congress to make such allegations. His campaign manager, Arthur Koenigkramer, said, "It is absolutely clear to us that these claims amount to a fall-back option should the ANC fail to win a majority."

The Electoral Commission has an elaborate and potentially lengthy fraud adjudication procedure, and the commission chairman, Judge Johann Krieger, indicated there was evidence of some stuffing of ballot boxes.

But he has also made it clear that the counting and certification process must be completed by the weekend, so as not to delay the scheduled Monday sitting of the country's first democratic Parliament or the inauguration on Tuesday of the president-in-waiting, Nelson Mandela, who as head of the African National Congress is virtually assured election to the post by the Parliament.

The Associated Press

BONN — The federal police reported 219 crimes motivated by hatred for foreigners in March, an increase of 14 over February, the government said Thursday.

But Germany's internal intelligence bureau said most of the acts were non-violent crimes like spray-painting swastikas.

Violent rightist acts have declined this year, according to Hans-Gert Lange, spokesman for the Office for the Protection of the Constitution. Between Jan. 1 and April 22, there were 438 rightist attacks, compared with 699 in the same period last year.

Mr. Lange attributed the decline in violence this year to more rigorous sentencing by judges, such as the life sentence handed out in December to a 26-year-old man convicted of killing three Turks in a firebombing.

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# THE AMERICAS / A PROBLEM WITH SCHOOLS

## U.S. Pupils Short on Basics, Study Finds

By Catherine S. Manegold  
New York Times Service

WASHINGTON — Most U.S. high school students spend only 41 percent of their school time on academic subjects and are taught by overworked teachers who have little time to further their own education, according to a study by the National Education Commission on Time and Learning.

Outlining why American schools lag far behind those in other industrialized countries, the two-year study of how students spend their days, both at school and at home, shows that American high school students spend far less time on basic academics than teenagers in Japan, France and Germany.

Much of American students' time is spent on such things as driver education, athletics and other nonacademic courses.

American students spend about 1,460 hours studying subjects like mathematics, science and history during their four years in high school, the report says. Japanese students spend 3,170 hours, French 3,280 and German 3,528.

The report provides the most specific statistical comparison of study hours yet available, an official in the Department of Education said.

It blames comparatively short school days and the nine-month school year for some of the imbalance, but also criticizes a broad movement to load down students' days with subjects outside the traditional curriculum.

"We have been asking the impossible," the report said. "The reform movement of the last decade is destined to founder unless it is harnessed to more time for learning."

The report's results dovetail with those of other studies that have tracked a decline in American students' achievements compared with their foreign peers.

But it goes a step further, highlighting the time lost for the social functions schools are expected to perform.

"The traditional school day must now fit in a whole set of requirements for what has been called the 'new work of the schools,' education about personal safety, consumer affairs, AIDS, conservation and energy, family life and driver's training," it noted.

That point was applauded by educators who have been struggling to raise school standards while at the same time meeting community and federal demands for expanded curriculum.

"I think it is pretty radical in

terms of the public's perception," said Nancy Kochuk, a spokeswoman for the National Education Association. "As an insider and someone who talks to teachers all the time, there's not that much that is really new. But it is important that parents and others can see that schools are really slaves to time."

Contrasting American home life with after-school study habits in other countries, the report also concludes that foreign students "spend more serious time learning outside the school" and "fritter away less time in front of the television."

Teachers also come under scrutiny, and the report concludes that German and Japanese teachers are given more time for class preparation, grading and their own further education than American teachers, who teach fewer students, but have longer hours.

## Let Haitians Work It Out, UN Leader Proposes

By Stanley Meisler  
Los Angeles Times Service

UNITED NATIONS, New York — Despite a Clinton administration proposal for tougher sanctions on Haiti, the UN secretary-general has issued a pessimistic report urging outsiders to play a more passive role and allow Haitians to work out a solution to the crisis themselves.

The report to the UN General Assembly was evidently written before the administration had completed a review of its Haitian policy and changed course.

American diplomats insisted that the report did not mean that Secretary General Butros Butros Ghali opposed the new U.S. call for intensifying sanctions.

"Secretariat officials have indicated to us," said a U.S. official, "that it was written before and that they have no quarrel with our present sanctions resolution."

United Nations officials also denied any conflict between the United States and Mr. Butros Ghali over renewed sanctions.

"The report was written and approved by the secretary-general a week ago," said Alvaro de Soto, Mr. Butros Ghali's special adviser for political affairs. "It is an update on developments and should not be taken as a policy statement. It wasn't intended to be a divergence from anything the Security Council might do."

But the report suggested that the time had come for the international community to step back. Mr. Butros Ghali wrote that, over the months, "the international community's role changed gradually from that of mediator between parties to that of sole agent responsible for finding and implementing a solution to the deadlock."

"This new role for the international community is prejudicial," Mr. Butros Ghali wrote. "Some see it as compromising the international community's neutrality and thus weakening its ability to instill confidence and lead the parties to a vital compromise."

He recommended that "a more specifically Haitian solution be found" with the two parties, supported by the United Nations, resuming "an effective role in this process."

But the U.S. official said the report reflected a theory, discarded by the Clinton administration only a week ago, that the best tactic for ending the Haiti crisis was pressure on the deposed president, the Reverend Jean-Bernard Aristide, to compromise with the military and police officers who overthrew him.

In its new strategy, the administration has decided to transfer pressure to the Haitian military and police commanders, demanding they resign and allow the return of Father Aristide to Haiti and the presidency.

Senior U.S. officials said President Bill Clinton had asked aides to suggest concrete options for use of U.S. military power in Haiti.



HARD TIMES ARE ABOUT TO GET HARDER — A panhandler making his way through a New York City subway car. The city's Transit Authority has started cracking down on such activities, with arrests, anti-begging announcements in stations and posters on trains.

## 2 Votes in House Give Clinton Surprise Gun Control Victory

Compiled by Our Staff From Dispatches

WASHINGTON — In a stunning upset victory Thursday for the Clinton administration, the House narrowly approved a ban on 19 types of combat-style weapons.

Just hours before the vote, supporters of the ban had acknowledged they were short of the necessary votes. A week ago, defeat seemed certain.

Yet, when it came time for members to cast their votes, some had changed their minds and came out for the ban. In doing so, they bucked the powerful National Rifle Association for the first time.

The bill passed by a hairline margin: 216 to 214. Several lawmakers reversed their positions from a similar vote in 1991 on the volatile issue, saying they had been pressed by law enforcement officials to support the ban.

"Our police say to us, 'Please, please put controls on these kinds of weapons. We're the people who have to face them,'" said John E. Porter, Republican of Illinois. "Are we to say no?"

Butler Derrick, Democrat of South Carolina, said Thursday on the House floor: "It's time to take our streets back from the criminals and to end the carnage that has made us all prisoners in this nation, prisoners of fear."

President Bill Clinton, who fought hard for passage, had earlier rewarded one House member who converted from a ban opponent to supporter with a joint appearance in the White House Rose Garden. He called the change of heart by Stephen Neal, Democrat of North Carolina, "an act of conviction and courage."

The vote came after a passionate debate in which supporters of the bill repeatedly cited tragedies in their home states in which innocent people were gunned down.

Opponents of the measure said it would do nothing to curb violent crime but would infringe on the constitutional right of law-abiding citizens to own firearms.

The bill, which must now be reconciled with a differing Senate version, would ban the manufacture and sale of 19 types of rapid-fire weapons such as the AK-47, the Uzi and the TEC-9, often used by drug dealers and street gangs. They include fast-fire rifles and handguns with high-capacity magazines.

Before the vote, three former presidents endorsed the legislation.

Ronald Reagan, Jimmy Carter and Gerald Ford wrote to all House members expressing their support. Together, they and Mr. Clinton made a formidable lobby, stretching across a broad ideological spectrum and giving weight and added political cover to wavering House members.

Among the living former presidents, only George Bush did not sign the letter. He was an opponent of gun control measures during his term in the White House.

The last time the House voted on a bill to bar assault-style weapons in late 1991, the measure was rejected, 247 to 177.

The Bureau of Alcohol, Tobacco and Firearms estimates there are 1.5 million of the guns in circulation, less than 1 percent of the 200 million firearms nationwide. They represent 8 percent of the guns traced from crimes, the agency says.

Gerald R. Solomon, Republican of New York, however, said the firearms are used in less than one-half of one percent of violent crimes.

"This bill is misguided because it penalizes good, law-abiding citizens and not the criminals who are the cause of the problem in the first place," he said.

But Tim Valentine, Democrat of North Carolina, who voted against a ban in 1991, supported this one, saying, "The right to bear arms does not give an American citizen the right to park a howitzer in his garage."

(AP, Reuters, LAT)

## The \$100,000 Quest: A College Degree

By William H. Honan  
New York Times Service

NEW YORK — Several of the nation's leading colleges have broken the \$100,000 barrier for a four-year degree.

Beginning next fall, Harvard freshmen will pay \$26,230 a year for tuition, fees, room and board, and Yale students will pay \$120 more. The Massachusetts Institute of Technology is charging \$26,075. Brown is \$25,954. Swarthmore is \$25,900, and Stanford is the cheapest at \$25,465.

Swarthmore's vice president for business and finance, William T. Spock, echoed the feelings of many parents. "I'm sure glad my kids are through with college," he said.

"We agonize over this every year," said Elizabeth Hudekoper, Harvard's budget director. "Obviously, the \$25,000 mark has symbolic significance, but it wasn't a barrier. Any increase is carefully considered."

She continued: "When setting tuition, we

look at inflation, median family income, the consumer price index, our financial aid objectives and a great many other factors, including the president's concern that we keep Harvard affordable."

She, like other university officials, was quick to point out that many of their students — 67 percent at Harvard and more than half at many others — receive generous helpings of financial aid. At Cornell University, for example, half the students receive financial aid that averages about \$10,000 a year.

Nevertheless, many students — generally those who come from families with incomes above \$100,000 — are paying the full price. And many others have become part of a phenomenon known as "middle income melt."

These students would almost certainly have gone to private colleges and universities if prices were lower; instead, they are at much less expensive public institutions.

The cost of public institutions across the

country is rising even more rapidly than those of the private institutions, although, of course, the totals are only a fraction of those at most private colleges and universities. The cost for in-state students last year (1994-95 figures have yet to be set by many state legislatures) range from \$11,726 for the University of Vermont to \$5,504 at the University of North Carolina.

"The responsibility for paying for higher education is being shifted from taxpayers to students and their families," said Thomas G. Mortenson, a higher education policy analyst based in Iowa City. "We're heading toward a price-based admission policy where the people who can afford it will go to college and the others won't."

In 1979, he said, "a student whose family income was in the top quartile had a four times greater chance of earning a B.A. degree by the age of 24 than did a student in the lowest quartile. Today, that well-off student has a 19 times better chance."

## Away From Politics

• A judge has reduced the prison sentence of an FBI agent convicted of passing U.S. secrets to his Soviet lover. Judge Robert Takasugi of U.S. District Court in Los Angeles lowered the sentence of Richard Miller to 13 years from 20 years and said he should serve no more than two-thirds of it. Mr. Miller, 57, was found guilty in 1990 on six counts of spying. He has spent nine years in prison since his arrest in 1984 and is now eligible for parole, his lawyer said.

• Florida will pay \$2.1 million in compensation to survivors of a racist rampage that destroyed a small black community 71 years ago. Seven survivors of the Rosewood massacre in 1923 watched as Governor Lawton Chiles signed the legislation. A mob of whites burned down virtually every building in Rosewood and killed at least 6 of the 120 blacks who lived there. They were searching for a black man accused of assaulting a white woman.

• A 200-pound black bear was shot and killed by Rhode Island officials after it mauled a family's pet goat. State officials in Foster, Rhode Island, said they feared the bear was rabid. "We do have a rabies problem," said David Tyler of the Department of Environmental Management. The bear knocked down a fence and attacked the goat, which was chained to a tree. "The goat didn't have a chance," said Stephen Constantino, a family member. "It couldn't defend itself."

• A man who wounded three doctors in a shooting spree at the Los Angeles County-USC Medical Center testified at his trial in Los Angeles that he wanted to get even with physicians for treating him "like an animal." Damacio Torres admitted he shot the doctors on Feb. 8, 1993. Witnesses said he burst into the hospital emergency room yelling: "I don't want nurses! I want doctors! I want white coats!"

• Dr. Jack Kevorkian said he would continue to help people commit suicide but would like other doctors to come forward. He was found not guilty Monday of violating Michigan's ban on assisting suicides. His attorney argued the suicide of a man with Lou Gehrig's disease had occurred outside the county in which the jury that tried Dr. Kevorkian had jurisdiction.

Reuters, AP

## ★ POLITICAL NOTES ★



**LAW SUIT IN LIMBO** — Paula C. Jones had been expected to file a sexual harassment lawsuit Thursday against President Clinton in Arkansas, alleging that he made an unwanted advance toward her in 1991 while he was governor of that state. But her attorney, Daniel M. Tritel, failed to show up for a scheduled news conference, and no lawsuit had been filed. The White House has denied that the incident occurred.

## On Health, Congress Wants to Go Slower

WASHINGTON — A number of developments on Capitol Hill provided fresh evidence that Congress prefers more gradual, less comprehensive changes in the health care system than President Bill Clinton has proposed.

Lawmakers said they would take a slower, more incremental approach for logistical and political reasons.

The Congressional Budget Office said that nearly 40 percent of the uninsured could obtain health insurance under a bill proposed by two conservative Democrats as an alternative to the Clinton plan.

This bill, offered by Representative James Cooper of Tennessee and Senator John B. Breaux of Louisiana, would not require employers to provide coverage to employees, as the president wants.

Separately, Senator David L. Boren of Oklahoma and Senator Bob Kerrey of Nebraska became the first Democrats to endorse a Republican bill that expands health insurance coverage more gradually than the president's plan.

(NYT)

## U.S. Putting the Wolf Back in the West

WASHINGTON — The Clinton administration endorsed a plan to restore gray wolves to two areas in the northern Rockies more than a half-century after the government helped exterminate them throughout much of the West at the behest of the livestock industry.

The Interior Department announcement that wolf populations will be introduced into Yellowstone National Park in Wyoming and a huge area of national forests and wilderness in Idaho caps a 20-year struggle to devise a wolf recovery plan.

If all goes according to plan, 15 wolves captured in Canada would be released in each area.

(WP)

## Evangelist's Group Loses Local Election

RICHMOND, Virginia — Pat Robertson, the television evangelist and leader of a movement to elect evangelical Christians to local government posts throughout the country, suffered a setback when his candidates lost a school board election in his hometown, Virginia Beach.

Voters rejected candidates backed by Mr. Robertson, and instead elected a slate endorsed by the local teachers' union.

"The rumor was that we were a right-wing takeover," said Edward Kreyling Jr., a retired railroad executive who led the losing group.

(NYT)

## Quote/Unquote

General Colin L. Powell, chairman of the Joint Chiefs of Staff during the Bush administration and national security adviser to President Ronald Reagan, on Oliver L. North, a former national security aide who was involved in the Iran-contra scandal and now is running for the Republican nomination to the Senate from Virginia: "Because of my understanding of his activities, I would not have confidence in his ability to serve in the Senate."

(AP)

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## MEMORIAL NOTICE

Mr. and Mrs. David AMAR,  
Mr. Ralf EDERY,  
Mr. and Mrs. José BONICHE,  
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Mr. John David COHEN,  
Mr. and Mrs. Daniel AMAR,  
Mr. and Mrs. Paul FRIBOURG,  
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Annie-Claude EDERY-AMAR  
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## VCR: The User's Manual

Continued from Page 1  
graphic designer in Manhattan who has made an extensive study of manuals, calls "implicit instructions," as opposed to explicit ones.

"Some devices do this, and we're barely conscious of them," Mr. Peters said. "Banking machines, they're a descendant of vending machines. There's no manual attached to them, and yet they speed you along in a variety of languages."

But with home electronic equipment, people are still intimidated. One of Mr. Jordan's creations is the manual for a Sony AV Controller, a device that ties together a system's components — the AM-FM receiver, the compact disc changer, the videocassette recorder, even a laser disk player.

"We realized if we present the traditional thick master manual, they wouldn't read it," he said. "Taking the idea from Macintosh, we sent out five little books."

They were supposed to improve on older manuals that made simple concepts complicated or were filled with capricious capitalizations and graceless gibberish. "When recording connecting with the Separate Speaker, howling may occur," cautioned the manual for a Panasonic RN-36 microcassette recorder.

But plenty of made-in-America manuals have eccentricities. Page 13 of the manual for the Maytag Jetclean dishwasher is headed "Caring for Dishwasher."

"The interior is normally self-cleaning," the manual says, with a keen eye for the obvious. This sentence is followed by half a page of things to clean up, manually, like the inside of the door and its rubber lip.

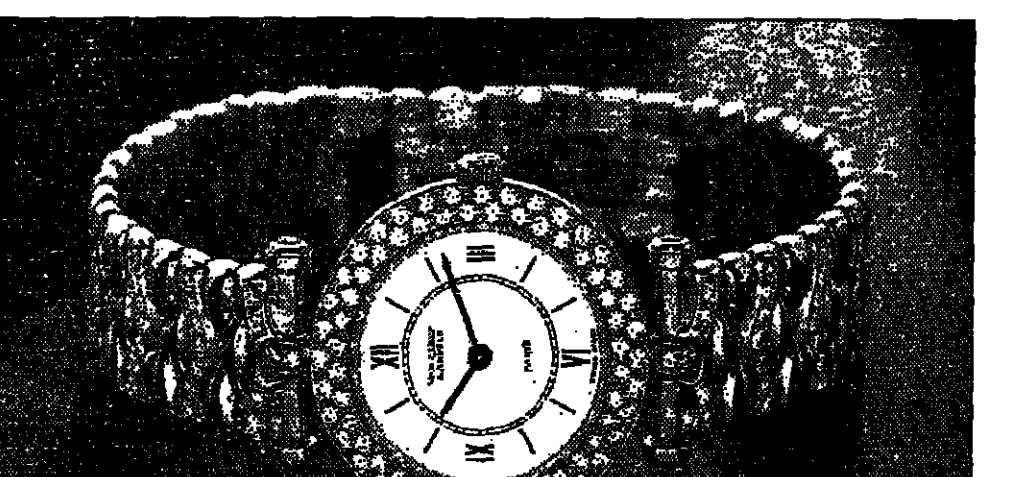
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## In Attack by Danish Tanks, 'the Mouse Ate the Cat'

By John Pomfret  
Washington Post Service

**TUZLA, Bosnia-Herzegovina** — When Serbian fighters shelled an isolated United Nations observation post near Tuzla last week, it was an unremarkable event. In nearly two years of UN operations in Bosnia, this country's combatants have routinely shelled, sniped and humiliated UN soldiers — even sometimes robbing them at gunpoint of their weapons and uniforms.

But last Friday night, the Serbian fusillade elicited a UN response more incendiary than the usual verbal protest. A Danish officer, Lieutenant Colonel Lars Moller, ordered his white-painted Leopard tanks to fire back at the Serbian artillery position.

By dawn, the Danish Army had fought its fiercest battle since the Nazi invasion of 1943 — and Colonel Moller had shown that the United Nations need not always retreat in the face of its frequent military challenges by the Serbs.

Colonel Moller said his tour in the Balkans had taught him that "if you are scared down here, you're going to get kicked — that's the way it works."

In Bosnia's civil war, he said, "All sides are full of a lot of macho bull. You have to adjust your behavior accordingly."

The Danes' destruction of a Serbian artillery position underscored the dilemma of UN peacekeeping. UN soldiers and foreign-aid workers here often express frustration with the UN forces' passivity in the face of provocations. But the Danes' momentary aggressiveness was similar to that adopted as policy — and abandoned in frustration — by the peacekeeping mission in Somalia last year.

Colonel Moller, for example, does not

view his troops' riposte as, in the end, a victory.

By finally shooting back, the colonel and his troops destroyed bridges of confidence and trust that they had painstakingly built to the Serbian side. The Danes had built a 6.5-kilometer (4-mile) road for Serbian children to use in walking to school from the nearby village of Pelembi, so they would remain safe from Muslim shelling. They had arranged shipments of diesel fuel to Serbian road repair crews and seeds to Serbian farmers.

But, Colonel Moller said, given the bellicose psyche of this region, its deadly postur-

**'If you are scared down here, you're going to get kicked — that's the way it works.'**

ing and its adolescent tests of strength, he cannot regret having given the order to fire. "The UN should not bow its head to any of these people," he said. "Once you do that, you lose your dignity and, even worse, the other guy will keep walking over you. In the Balkans, you've gotta stand tall."

Standing tall has been difficult for the Nordic Battalion — a UN unit comprising 1,753 Swedes, Danes, Norwegians and Dutch — that is based around the Muslim-held region of Tuzla. In the last two months, Serbian gunfire has destroyed four of the battalion's armored personnel carriers.

Although the Serbian attacks have grown intense, the UN political command in Za-

greb, Croatia — directed by a special envoy, Yasushi Akashi of Japan — has rejected at least four of the battalion's requests for North Atlantic Treaty Organization planes to fly close air support for UN troops.

But on Friday, the UN response came not from Zagreb or New York. It came from the Danish soldiers in their Leopard tanks, the most advanced weapons system of the major UN arsenal in Bosnia.

Shortly after 11 P.M., Serbian gunners around Mount Vis, to Tuzla's south, opened up on a UN observation post called Tango 2. Since October, according to UN figures, the Serbs had shelled the post 28 times with 96 shells. As they always do, the Leopards responded.

Colonel Moller and his men sped east from Tuzla in seven tanks and two armored personnel carriers. At the village of Saraci, in view of the Serbian gunners, the Danes stopped and — in accord with UN rules of engagement — illuminated their white vehicles with searchlights to let the Serbs know they were there.

The lights drew shellfire. One shell landed 9 meters (30 feet) from Colonel Moller's vehicle, he said. Others blew shrapnel over the tanks.

"At that point we turned the lights off," Colonel Moller said. "Gooooo thinking, as the Brits say."

With that, Colonel Moller's operation began in earnest. The Danes had practiced the routine. Four of the Danish tanks and an armored personnel carrier sped to another village, Kalesija, which was closer to Tango 2.

The Danes moved two tanks up the hill toward the beleaguered observation post, and placed two others behind houses in the

village. Then, the Danes said, the Serbs stepped up the attack, firing 40mm anti-tank cannons.

By then the Serbs had been firing for 30 minutes, the Danes said. When the troops in Saraci reported that more anti-tank rockets were on their way, the three tanks in Saraci fired four warning shots. When the Serbs continued the attack, the Danes fired in earnest.

The first round silenced an anti-tank gun; the second destroyed the post of a forward artillery observer, and the third plowed through a Serbian bunker, the Danes said. "Things were getting out of hand," Colonel Moller said. He and Major Carsten Rasmussen, the tank unit commander, agreed to hold their fire and ensure that Serbian shelling of Tango 2 had ceased. After 30 minutes of quiet, the forward tanks began moving back to Saraci, but the Serbs began attacking them again.

The officers ordered the tanks fire again, continuously, for 15 minutes. One round plowed into a Serb ammunition dump, igniting a huge, concussive blast. The Bosnian Serbs said afterward that nine soldiers died in the exchange.

Colonel Moller said the Danes spared three Serbian T-55 tanks because, although the Leopards' infrared detectors found the Serbs' aiming systems turned on, they also determined that the enemy tanks' barrels were cold. Under the restrictive UN rules of engagement, only guns actually caught in act of firing may be hit.

Colonel Moller said the ordeal was meant to be a trap for the Danes.

"It was an ambush," he said. "Tango 2 was the cheese, and we were the mouse. Only it turned out that the mouse ate the cat."



Rwandans collecting water at a lake near their refugee camp in Tanzania, near the Rwanda border.

## Bosnian Muslims Furious Over Deal Struck by Top UN Envoy and Serbs

Compiled by Our Staff From Dispatches

**SARAJEVO, Bosnia-Herzegovina** — Bosnian leaders demanded the resignation of the senior United Nations official in the former Yugoslavia on Thursday after he agreed to permit the Serbs to redeploy tanks around Sarajevo.

Although the deal was later canceled, the uproar threatened efforts by international envoys to restart peace talks, and it further undermined UN credibility in Bosnia.

Government officials demanded the resignation of Yasushi Akashi, who is Secretary-General Butros Butros Ghali's representative in the former Yugoslavia.

A UN spokesman, Commander Eric Chaparon, said Wednesday in Sarajevo that there had been a "verbal agreement" authorizing some Serbian tanks to cross the exclusion zone under UN escort.

Bosnia's collective presidency issued a statement Thursday saying that it was "shocked by the information."

"In the future, the government cannot and will not cooperate with Akashi," the statement said. It ac-

cused him of "practically taking part in the aggression on Bosnia-Herzegovina."

Local UN sources gave conflicting versions of why Mr. Akashi made the deal and what it involved.

In New York, a UN spokesman, Joe Sills, said Mr. Akashi agreed in talks with Bosnian Serbian leaders to allow some tanks to move through the zone "under UN supervision."

The deal apparently involved a Serbian agreement to free 160 British UN troops held since Sunday by Serbian soldiers outside the Muslim enclave of Gorazde, where the Britons were supposed to join 500 peacekeepers monitoring a truce. The British troops were allowed into Gorazde, a UN "safe area," on Thursday.

A UN spokesman in Zagreb, the Croatian capital, said the deal with the Serbs was canceled because the Serbs tried to slip two tanks through the exclusion zone on Wednesday without notifying the UN Protection Force.

The tank affair was the latest in a series of embarrassments for UN peacekeeping forces caused by what critics say is a tendency to do everything possible to avoid offending the Serbs so that the overall humanitarian aid mission is not endangered.

The Muslim-led government's anger threatened what little remained of UN credibility in Bosnia. Serbs have already accused the world body and the North Atlantic Treaty Organization of siding with the Muslims after two NATO air strikes on Serbian positions near Gorazde last month.

(AP, Reuters)

### UN Moves to Avert Battle

The United States, backed by France and Britain, is preparing a two-step plan — including the threat of NATO air strikes — to head off a major battle between Serbs and Muslims that appears to be shaping up around a narrow but strategically vital land corridor near the northern Bosnian town of Brcko. The New York Times reported from the United Nations.

## Yemen Appears Near Full-Scale Civil War

Compiled by Our Staff From Dispatches

**SAN'A, Yemen** — Yemen appeared Thursday to have plunged into full-scale civil war, with troops from the north and south battling across the country and air force jets pounding the capitals of the rival regions.

Residents said southern warplanes attacked the international airport and the presidential palace in San'a, which became the capital of Yemen after the north merged with the south four years ago.

The southern military command and diplomats in San'a said northern warplanes bombed the airport and other districts in Aden, the capital of the former South Yemen. The southern command said two jets were shot down, but gave no details.

Artillery fire and infantry fighting were reported in both cities and several other areas. A tank battle reportedly raged in

Damar, about 100 kilometers (60 miles) south of San'a.

Diplomats said the country appeared heading toward renewed division.

South Yemen, which is Marxist, and conservative North Yemen merged in May 1990, forming the Arabian Peninsula's first democratic republic. But differences over power-sharing prevented integration of the armed forces and led to an escalating struggle between President Ali Abdullah Saleh, a northerner, and Vice President Ali Salem Baid, a southerner.

The northern-based, government-run San'a Radio declared a one-month state of emergency. It ordered all Yemeni citizens to keep off intercity roads.

A British Embassy official in San'a said Western embassies were considering whether to evacuate their nationals and had told them to stay indoors and stock food. (AP, AFP)

## Rebel Attacks Batter Rwanda Capital

Reuters

**KIGALI, Rwanda** — Artillery fire, mortar bombs and rockets battered Rwanda's capital Thursday as a rebel offensive appeared to unleash the worst fighting in a month of war and tribal slaughter.

Attacks by the rebel Rwanda Patriotic Front involved bombardments of the capital's center and street-to-street fighting. United Nations officers and other witnesses said.

Six rebel Katyusha rockets struck the government-held commercial center, sending hundreds of people fleeing for their lives at an open-air market, witnesses said.

The rebel thrust to Kigali from the north is the latest development in the civil war that erupted after the killing of President Juvenal Habyarimana in a rocket attack on his plane on April 6.

Aid workers estimate that more than 200,000 people have died, many hacked to death, in massacres of the minority Tutsi tribe and opposition members by the majority Hutu, who dominate the armed forces.

In a speech broadcast on Rwandan radio, Prime Minister Jean Kambanda, who heads a self-declared Hutu government, said every Rwandan, even farmers, should be armed. He urged hundreds of thousands who have fled to return to join the battles.

The government controls barely a third of the tiny central African state hit by the worst atrocities in generations. The radio said Mr. Kambanda made the speech Wednesday in the town of Kibuye.

Abdul Kabia, executive head of the UN Assistance Mission in

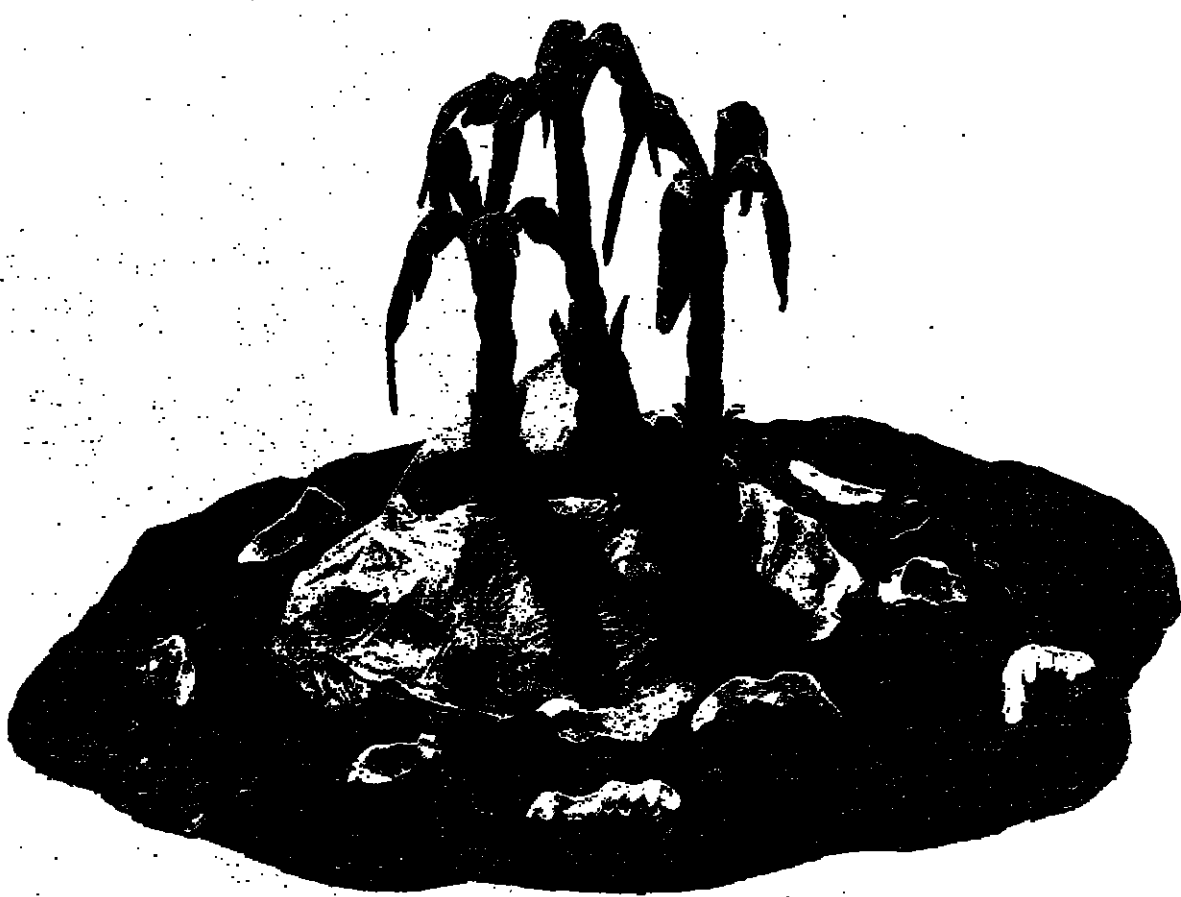
Rwanda, said heavy fighting with small arms, mortars and artillery across Kigali raged overnight and into Thursday.

"They are the heaviest battles since this all started and the first time both sides have battled throughout the night," said Mr. Kabia. He said casualty figures were impossible to obtain.

In the Ethiopian capital, Addis Ababa, a U.S. delegation discussed with the Organization of African Unity on Thursday ways of stopping the massacres and securing a cease-fire.

Led by John Shantuck, assistant secretary of state for humanitarian affairs, the team met the organization's secretary-general, Salim Ahmed Salim, who is campaigning for an international force to stop the killings.

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## U.S. Envoy Gets Protest By Beijing Over Taipei

The Associated Press

BEIJING — The Foreign Ministry summoned the United States ambassador, Stapleton Roy, on Thursday to protest recent American legislation that removed caps on arms sales to Taiwan, created Radio Free Asia and called for closer ties with the people of Tibet.

The deputy minister of foreign affairs, Tian Zengpei, told Mr. Roy the legislation, passed by Congress last week, "seriously undermines the basis of Sino-U.S. relations," the Xinhua press agency said.

"We demand that the U.S. government reverse its wrong position and erroneous decision," he said.

In the Foreign Relations Appropriations Act, passed April 28, Congress ended a 12-year commitment to reduce arms sales to Taiwan, which China regards as a renegade province.

The act also provided for a U.S. Information Agency office in Tibet and closer cultural contacts with Tibetans, and called on the State Department to list the Himalayan region as a separate state.

"It is indeed shocking to see such contempt for the basic norms governing the international relations, such open infringement of China's sovereignty and attempt to split China," Mr. Tian said.

The Chinese outburst comes ahead of a U.S. decision next month over whether to strip China of low-tariff privileges because of its human-rights record. President Bill Clinton must decide by early June.

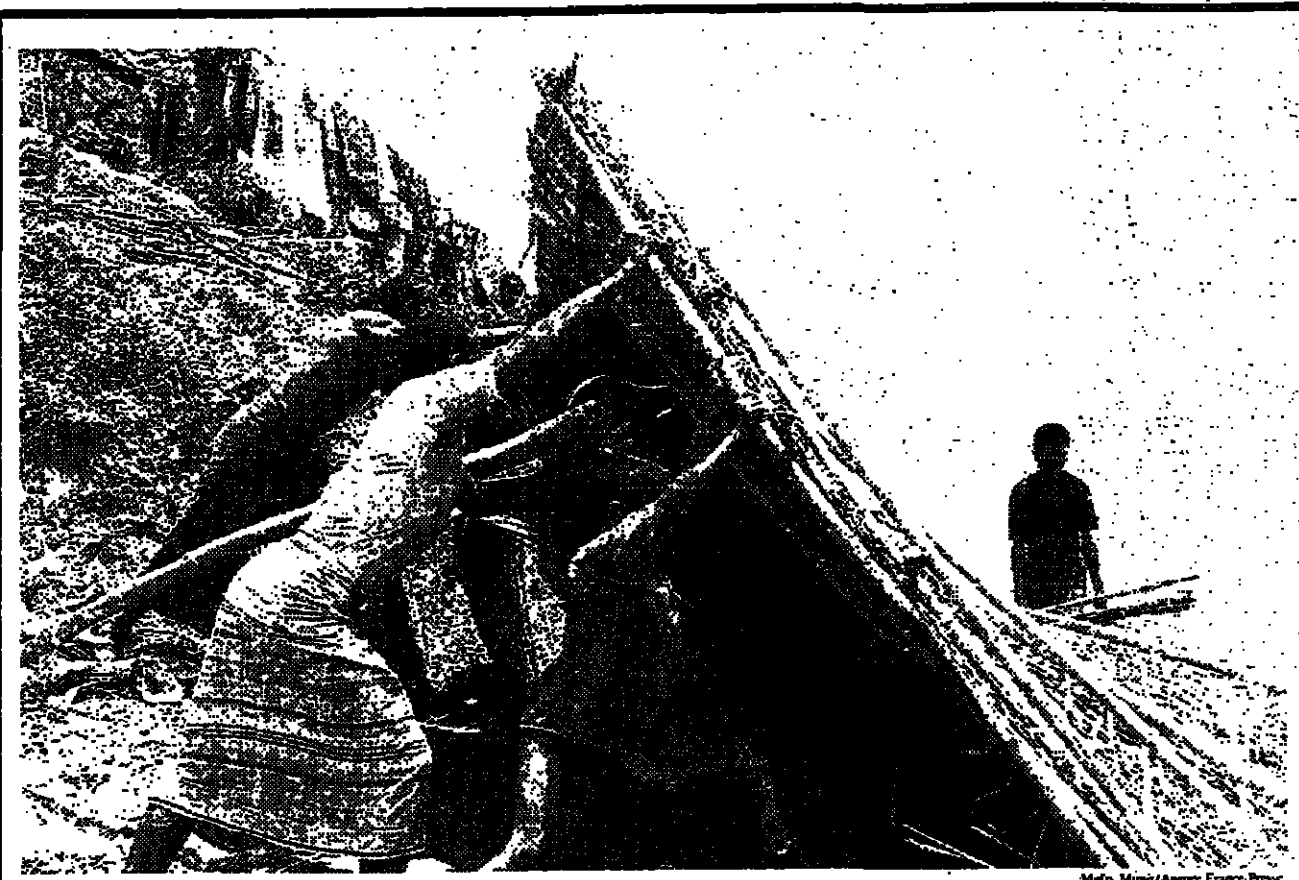
The legislation also created Radio Free Asia, modeled after Radio Free Europe and Radio Liberty, to broadcast U.S. programs to China, Tibet, North Korea and Indochina.

Earlier, a Foreign Ministry spokesman, Wu Jianmin, said China would not permit the United States to establish an information office in Tibet. He accused the United States of trying to "brazenly undermine" China's sovereignty.

### South African Crash Kills 12

The Associated Press

JOHANNESBURG — Eleven schoolchildren and their driver were killed Thursday when their school minibus collided with a public bus. The crash occurred when the minibus tried to pass other vehicles on a highway from Johannesburg to the black township of Soweto, witnesses said. Only two children on the minibus survived.



PUTTING BANGLADESH BACK TOGETHER — Men and boys working together to rebuild a cyclone-damaged dwelling in Teknaf, a small southeastern coastal town, after a storm raged through the region, killing at least 139 and injuring several thousand.

## CHINA: Dizziness of Economic Climb Blurs Reality

Continued from Page 1

and leading it a short distance and hoping it will gallop," said Wuhan Steel's president, Liu Benren.

China's economic reforms are on trial here, and so is the idea that free enterprise has triumphed over the economic legacy of Marxism. The engines of national growth are still revving up after two straight years of 13 percent expansion, but the dizziness of China's economic climb at times blurs the predominant economic reality here.

The country's aged and debt-ridden state-owned industries still dominate the economy with their 109 million workers and 20 million pensioners. Each year they contribute progressively less to national economic output while accounting for most government spending and adding to inflation.

Fifteen years after reforms were begun by Deng Xiaoping, the country's paramount leader, China's landscape of unprofitable smokestack industries is still trying to shed its socialist burden and find a path to a market economy. Reform, particularly, is on trial this spring, as rising inflation has sapped the gains of China's restive labor force.

The government's antidote to inflation, a credit squeeze by the central bank, is forcing a growing

number of state factories to pile up losses or shut down. Wuhan Steel's customers, many of them other state industries, are \$575 million behind on payments for goods delivered, forcing Wuhan Steel into a cash flow crisis that will have to be addressed soon or the plant's first-quarter profits will exist only on paper.

Management has delayed crucial investments in new equipment and has run up \$345 million in debts to its suppliers, Mr. Liu of Wuhan Steel said in an interview.

"Our biggest problem," he said, "is funds and the debt chain."

This cycle of debt is the greatest reminder that China's 11,000 large state industries are not healthy and that as many as two-thirds of them are surviving on central bank loans to finance operations and payroll. When the loans are cut back, as they have been this spring, the debt chains link one factory to the next in a game of payment deferral.

A State Statistical Bureau report on state industries grimly concluded, "Those that should die, do not die, and those that live, cannot live well."

The mountain of debt in China's state banking system and state enterprises is so huge that after 15 years of reforms, no apparent solution exists beyond a broad privatization program, which the Com-



munism leadership is reluctant even to consider.

"The magnitude of accumulated losses are such that a good part of the banking system would have to declare itself bankrupt if it recognized the losses," a World Bank official said in a recent interview.

### Lisbon Frees 1,500 Convicts

Reuters

LISBON — The Portuguese legislature approved pardons for about 1,500 petty criminals on Thursday in an amnesty intended to ease jail overcrowding. Prisoners convicted of tax fraud and drunken driving were excluded from the release.

## The U.S. Threats of Sanctions: Pushing Asia to Self-Reliance

By Michael Richardson  
New York Times Service

SINGAPORE — Southeast Asian nations are developing policies to reduce dependence on the United States security umbrella.

Although many governments in the region continue to support the United States' military presence, members of ASEAN, the Association of Southeast Asian Nations, are increasingly committed to a strategy of greater regional self-reliance.

This is being achieved as individual ASEAN countries use their growing economic strength to modernize their armed forces.

At the same time, ASEAN has taken the initiative to promote wider Asia-Pacific cooperation by organizing a ministerial-level meeting of 18 nations in Bangkok in July to discuss security regional problems.

The ASEAN Regional Forum will include the United States as well as countries it is threatening to penalize over human rights, trade and labor issues, like China, Japan and Indonesia.

The Clinton administration has supported the proposal for a multilateral security forum. But Wash-

ington's evident readiness to resort to unilateral trade penalties threatens to alienate many countries in Asia and reduce United States influence and is accelerating the movement toward more self-reliance.

"President Clinton appears to prefer a warlike posture," said Mohammad Sadik, a former Indonesian cabinet minister. "He seems to feel the need to win this war and that war" in Asia.

Mr. Sadik cautioned that in having the "ideological crusade," the Clinton administration "risks East Asia going up against it in a response to the warlike stance."

Lee Kuan Yew, Singapore's senior minister, issued a similar warning on a recent visit to Australia. He said that if Mr. Clinton withdrew most-favored-nation trading status from China next month because of human-rights objections, it would cut China's growth by about 40 percent, causing major economic and security repercussions for Asia. As a result, the United States would "find itself

all alone in the Pacific," Mr. Lee said.

Some ASEAN leaders are speaking about a new regional security order without the United States.

Mahathir Mohamad, the Malaysian prime minister who will meet Mr. Clinton in Washington on Friday, said he did not see a need for an American military presence to protect the region.

"I do not think we need the U.S. fleet patrolling the seas in the area," he said. "So much money is wasted."

He dismissed fears that without the United States playing a balancing role, Japan and China would vie for regional dominance. Instead, he said, they would balance each other because there was "natural distrust" between them.

Yao Ning Hong, Singapore's defense minister, said in an interview with Jane's Defense Weekly earlier this year that Singapore "believes the best way to achieve and preserve peace and stability is to develop an understanding among countries with an interest in the region."

A recent review of the region by the Australian government, which looks ahead three to five years, concludes that United States would remain "strategically engaged" and make a contribution to maintaining peace and stability.

Nonetheless, in making public the review, Robert Ray, the Australian defense minister, said that "increasingly over coming years regional countries, including Australia and our Asian neighbors, will need to take responsibility themselves for the basic elements of security in the region."

ASEAN countries hold regular bilateral military exercises. Australia is also increasingly involved in regional military cooperation.

Mr. Ray said Australia wanted to expand this collaboration to include shared training, defense science and industry cooperation, and joint procurement of military equipment.

### Pilot in Japan Crash Reportedly Was Drunk

The Associated Press

TOKYO — The co-pilot at the controls of a Taiwanese jetliner that crashed in Japan last week had such a high level of alcohol in his blood that he exceeded Japan's standard for drunken driving, a press report said Thursday.

The crash of the Airbus A300-600, which was carrying 264 people, occurred April 26 while trying to land at Nagoya, killing 264 people.

## 'Indignant,' Beijing Rebuts Tokyo

### Official's Denial of Wartime Atrocity Sets Off Furor

Compiled by Our Staff From Dispatches

BEIJING — China reacted with anger Thursday to the claim by the newly appointed Japanese justice minister that the 1937 massacre of tens of thousands of Chinese by Japanese troops in Nanjing had never occurred.

"A Japanese cabinet member went so far as to publicly distort history, deny historical facts and defend the Japanese militarists' aggression," a Chinese Foreign Ministry spokesman said in a statement printed on the front pages of national newspapers.

"We are shocked by and indignant," said the spokesman, Wu Jianmin.

He later said that China had protested to Japan about the issue and had "demanded that the Japanese government treat this matter with all seriousness."

China, he said, took note of Prime Minister Tsutomu Hata's statement in Paris rejecting remarks by Justice Minister Shigato Nagano, but he did not say if this would satisfy Beijing.

In Tokyo, the Kyodo news agency reported, Thursday that Mr. Nagano would make a public apology on Friday.

Mr. Nagano's denial of the massacre by the conquering Japanese Army brought condemnation not only from China's government but also from political dissidents who have embarrassed Beijing with a campaign demanding compensation from Tokyo for wartime atrocities.

Mr. Nagano's comments "would trick the young people of Japan into thinking there was no wartime aggression," said Bao Ge, a Shanghai-based dissident.

There were also strong reactions from Taiwan, South Korea and Vietnam, especially to Mr. Nagano's comment that Japan's attack on China and, by implication, other Asians nations was not "an aggressive war" but one of liberation.

The " Rape of Nanjing " is one of the most infamous episodes in Japanese history. In the six weeks after Japanese soldiers seized the southern Chinese city on Dec. 13, 1937, they killed more than 155,000 people, according to the 1948 Tokyo war crimes tribunal.

Other estimates put the total dead at 200,000 to 300,000.

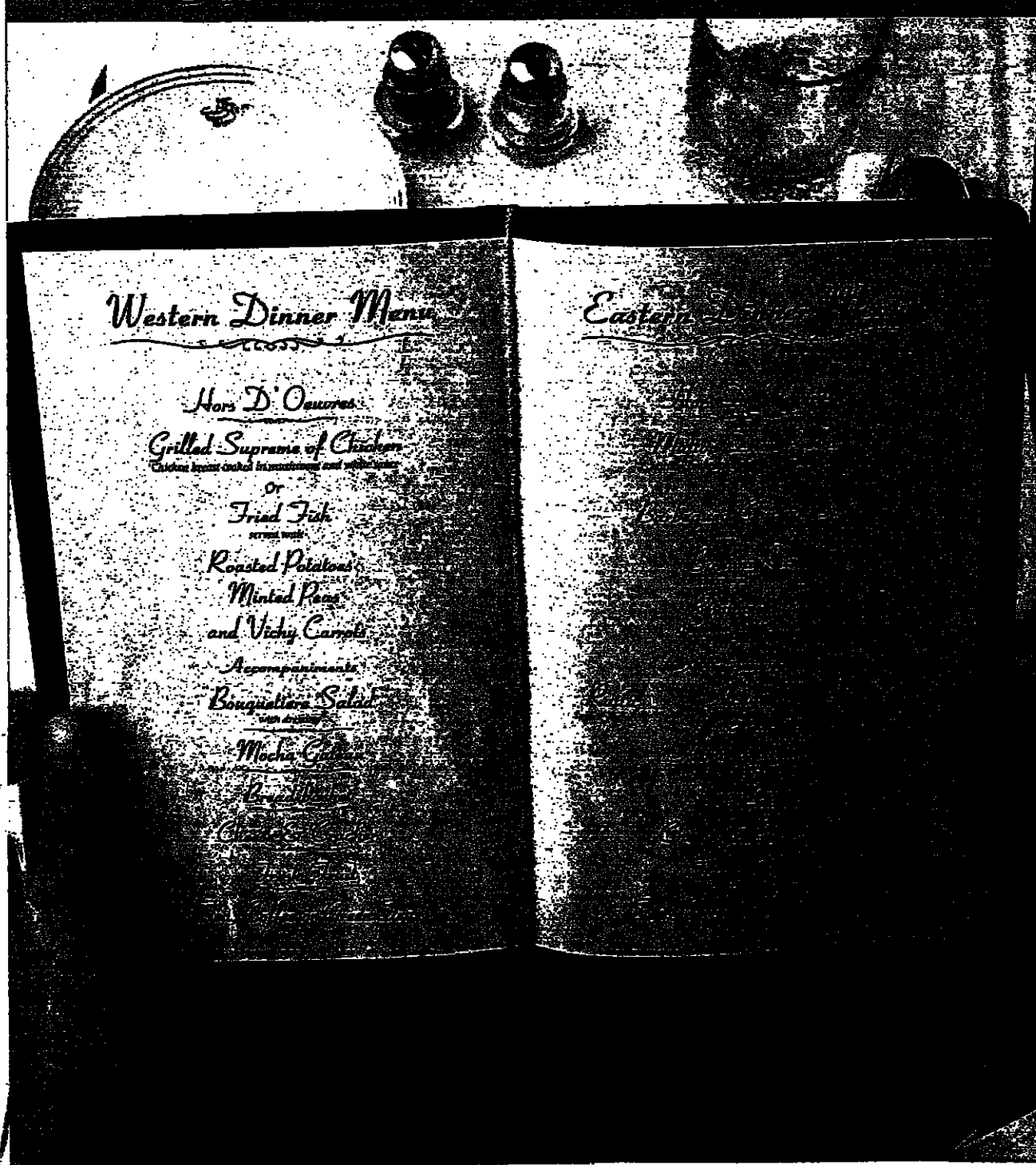
Mr. Hata, in Paris for meetings with French leaders, issued a short statement acknowledging Japan's past and rejecting Mr. Nagano's version of history.

"My view," he said, "is that our past actions, including aggression and colonial rule, caused unbearable suffering and sorrow for many people."

"With regard to the remarks by the minister of justice, I would like to ask him what he really meant," Mr. Hata said. "In any case, I consider the remark 'the Nanjing massacre is a fiction' not appropriate."

Mr. Nagano's claim was made in an interview with the Mainichi newspaper.

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# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Limited Help for Rwandans

In the four terror-filled weeks since the leaders of Rwanda and Burundi perished in a mysterious plane crash, Rwandan armed forces and vigilante gangs have resorted to butchery on a scale more horrifying than seemed possible at the outset. At least 100,000 people may have been slaughtered. In one instance, militiamen reportedly invaded an orphanage, picked off 21 children of the minority Tutsis and killed them along with 13 Red Cross workers who came to their assistance. Ethnic violence has displaced an estimated million people or more. Some 250,000 Rwandans fled and are camped out in Tanzania and other neighboring countries.

As terrified United Nations peacekeepers evacuated Rwanda, other nations consoled themselves with the hope that the butchery would grow weary of killing. This once seemed to be a likely prospect, too, but it does no more. The savagery continues unabated. Anguished international onlookers now comprehend more fully the awful consequences of standing on the sidelines.

The Somalia example loomed large in Western thinking. As the involvement there revealed, solving African civil wars is not the international community's long suit. President Bill Clinton said as much on Tuesday, when he indicated that Somalia had taught him to be cautious about intervening in a humanitarian crisis where a political process is absent. But he went on to say that "we can take the lessons we learned and perhaps do a

better job there over a longer period of time and perhaps head off starvation and do those things which need to be done." Rwanda represents that kind of challenge.

Rwanda also offers a chance for the UN Security Council to rethink its decision to withdraw all but a skeletal force as the crisis escalated. Secretary-General Boutros Boutros Ghali's call for the council to reconsider that decision offers a way for the United Nations to answer the criticism that at the first sign of danger it cuts and runs. Given the terrible degree to which the carnage has been pursued, it now appears that the United Nations should beef up its beleaguered force and keep diplomatic pressure on the warring factions to abandon the quest for total victory. The Security Council should promptly take steps to impose an arms embargo, deploy UN-backed African peacekeepers along the Rwanda-Burundi border, insert a human rights presence and step up humanitarian aid.

The United States has sent more than \$60 million in aid to the area since last fall. America has the clout and means to do more—although not on the battlefield. It can provide military logistical support for relief. It can also bolster Tanzania, which is brokering Rwandan peace talks, and it can keep trying to talk sense to both sides. As has been clear from the beginning, the major responsibility for a long-term settlement rests on Rwandans. But an engaged world can and must help that process along.

—THE WASHINGTON POST.

## Forward in the Middle East

It may be days, weeks or even months before Israelis and Palestinians grasp the meaning of the autonomy accord signed in Cairo on Wednesday. The small print spells out the terms of limited self-rule that will apply immediately to the town of Jericho and the Gaza Strip. But it is the big print that truly matters: after years of strife, bitter antagonisms have come together on a formula first proposed at Camp David in 1978 that will permit Israeli forces to withdraw honorably from West Bank territories that Israel seized in the defensive 1967 war.

In short, millions of words about the "Middle East peace process" have been translated, finally, into deeds. A wall has fallen once again in ancient Jericho; within three months, limited Palestinian self-rule is to be extended throughout the rest of the West Bank.

This has happened despite acts of desperate terrorism by a fanatic core of Arabs and Jews who view these steps to peace as treason. Whether they succeed depends on the momentum of a deal struck between a pragmatic prime minister, Yitzhak Rabin, and his enemy-turned-partner, Yasser Arafat, the PLO, the Palestinian Liberation Organization chairman.

There are promising omens. Mr. Arafat needs to show positive results, quickly, to Palestinians skeptical about an arrangement that falls far short of statehood. Propitiously, the World Bank and the PLO have hammered out a three-year aid program, drawing on \$2.4 billion in pledges from 40 donor countries.

And there are signs that Washington's strategy—to reach simultaneous Arab-Israeli agreements on all fronts this year—may yet

work. Secretary of State Warren Christopher, who was present for the signing of an accord that he helped midwife, has been patiently leaning on Syrian President Hafez Assad for concessions essential to dismantling Syrian settlements on the former Syrian Golan Heights. At the risk of provoking an uproar among settlers allied with his own Labor Party, Mr. Rabin has talked of a real withdrawal in return for a real peace. Mr. Assad is beginning, however haltingly, to discuss substance, which for Syria is progress.

As important is evidence of Israel's new status in the post-Cold War world. Last week Mr. Rabin became the first Israeli prime minister to visit Moscow in an official capacity. He won promises that Russia will supply only non-offensive weapons and spare parts to its Arab customers. Israel's new clout is directly related to its willingness to yield land for peace on the West Bank, and to engage the only Palestinian leader with international standing.

This is not to ignore the unrelenting threat of terrorism, especially if hopes raised by Wednesday's accord are not swiftly advanced. All the more reason for Israel and the PLO to tie up loose ends like the disputed boundaries of Jericho, and whether Palestinians can post guards on the Allenby Bridge connecting the West Bank to Jordan.

It is a paradox that old and bitter adversaries find it easier to agree on big issues than on lesser matters that repeatedly bog down negotiations. Yet with each step forward, Israel and the PLO deepen their investment in a successful outcome.

—THE NEW YORK TIMES.

## Why Believe Sudoplatov?

What is to be made of the newly published memoir of Pavel Sudoplatov in which, among other things, the former KGB general accuses leading scientists in the American atomic bomb project of helping Stalin acquire American nuclear secrets? The first consideration must be that, coming as they do from a loathsome and unapologetic mass murderer, such accusations demand an extraordinarily high level of documentary corroboration. It is difficult to imagine someone who deserves less to be taken at his unverified word.

The second consideration is that the particular targets of his atomic allegations—Robert Oppenheimer, Leo Szilard, Enrico Fermi, Niels Bohr—are already owed objective judgment. They are dead and unable to defend themselves. And they are men whose notable contributions to a project that was deemed vital to the allied war effort cannot be denied. Certainly these lions of science deserve not to be maligned by someone who has a manifest personal interest in a self-serving version of

history and who to this day upholds a Stalinist ideology that spares him any requirement for loyalty to truth.

As for the nitty-gritty, readers of these pages have a chance today to read an analysis offered by Priscilla Johnson McMillan, which seems to us to be headed and to show the arbitrary element in the Sudoplatov allegations of espionage and treason.

It is bad enough that the new book comes from a publisher (Little, Brown) ready to present it not as the memoir of a man who proudly ran one of the century's great killing machines but as an "enlightening" report from a former Soviet "spymaster"—a word that cleans up his wicked deeds. Worse, the book has been picked up by the History Book Club; the choice conveys the impression that it is not simply an 87-year-old survivor's recollections but a work of history that has been subjected to the disciplines of the craft. At least the book is well named—"Special Tasks."

—THE WASHINGTON POST.

## Other Comment

### As if Rwanda Were Off the Map

One of the greatest tragedies of the latter part of the century is under way, but the United Nations Security Council has refused to decide on a reinforcement of the UN mission in the country, despite the requests of Secretary-General Boutros Boutros Ghali. Instead it will "urgently" examine his proposals.

Washington is to examine the possibility of financing military intervention by African countries. This solution was envisaged for Burundi, when it was torn by interethnic killings last autumn; Burundi is still waiting. As for Europe, it has found a better way:

silence. It is as if it had edited the maps of the world and Rwanda no longer appeared.

—La Libre Belgique (Brussels).

### Still Haunting the Dutch

The central issue in the Dutch elections was the economy and, in particular, reducing the bloated welfare state to manageable levels. As expected, Prime Minister Ruud Lubbers has now resigned, after 12 years in power. But the chimera of the cradle-to-grave welfare state still haunts the Netherlands, and it will be the job of a new coalition government to put it to rest.

—Neue Zürcher Zeitung (Zurich).

## China Is Getting Help In a Grab at the Sea

By Philip Bowring

HONG KONG—Policy contradictions are inevitable in democratic countries with multiple global and domestic interests. But that neither explains nor excuses the contradiction in U.S. policy toward China which seeks to dictate domestic policy in China but gives tacit support to China's hegemonic external policies.

The extension of most-favored-nation trade status is debated at nauseam on the assumption, on both sides of the argument, that the United States influences China's domestic policies. At the same time the United States is sleepwalking into active sup-

two years ago, the Denver-based Crestone Energy Corporation announced that China had "awarded" it an exploration block in an area 250 kilometers southeast of Vietnam and 500 kilometers from Malaysia but 1,300 kilometers from China's southernmost habitation, Hainan Island. Crestone might have been considered an opportunist explorer as ignorant of international politics as Foggy Bottom was of wildcatting, but surely it cannot be an excuse for the U.S. government's Crestone is to go ahead with drilling the block, "with full support and protection from China."

This is not a marginal boundary issue. Nor is it, as it is often presented, part of an argument about which country owns all or some of the Spratly Islands, the scattered group of islets, rocks and reefs that dot the southern part of the South China Sea. Given that none of the Spratlys can support permanent habitation, even rightful possession of all of them would not give China the right to the seabed of the Crestone contract area. Nor can China claim continental shelf rights. China is separated by waters 1,800 meters (6,000 feet) deep from the Crestone block, which is in the shallow water of the shelf joining Vietnam and eastern Malaysia.

In other words, the Crestone award is symbolic of China's claim to the whole sea, which in effect would turn it into inland Chinese waters.

**The Crestone award is symbolic of China's claim to the whole South China Sea, which in effect would turn it into inland Chinese waters.**

port of Chinese expansionism in the South China Sea, which is even more arrogant than its invasion of Tibet and far more dangerous to international law. ASEAN countries, too, are proving an accomplice by declining to face unpleasant reality.

Implied U.S. support for China's attempt to assert sovereignty over the whole South China Sea is especially stunning, given that Washington spends billions every year on an East Asian presence designed to keep the region at peace as well as U.S. global interests intact. It suggests either that the State Department is asleep at the wheel, or that policy-making has been taken over by Sinologists who give knee-jerk support to any Chinese national claim, regardless of international law or the interests of the states—Malaysia, Vietnam and the Philippines—that comprise three-quarters of the South China Sea littoral.

It was astonishing enough when,

Malaysia's Petronas. It abuts the Thanh Long (Big Dragon) field over which Mobil and others recently signed an exploration contract and another field already being explored by BP on behalf of a consortium that includes Norway's Statoil and India's Oil & Natural Gas Commission.

China has not yet directly threatened any companies drilling in the waters off Vietnam, but exploration vessels reportedly have been shadowed. Worries are growing about China's openly aggressive posture, which may curtail activity in areas already awarded by Vietnam.

The Crestone block is not far from Vietnam's Dai Hung (Big Bear) field, discovered before 1975 by Mobil and now being developed by BHP with Total, Sumitomo, PetroVietnam and

## Expect Rough Treatment for the GATT Settlement in Congress

By James K. Glasman

WASHINGTON—After last year's fight over the North American Free Trade Agreement, most American trade watchers figured that GATT would be a piece of cake. Instead, it looks like déjà vu all over again.

The new GATT, the most sweeping international trade agreement in history, is the result of negotiations that began in 1986 in Uruguay and ended on April 15 with an official signing in Marrakesh, Morocco. It does great things for Americans—lowers world tariffs, protects copyrights, brings services under its rules for the first time, cuts agricultural subsidies, and opens markets that used to be closed to American goods.

Still, there is opposition in Congress—and not just from mercantilists who would do anything to protect businesses in their districts from global competition. The powerful new complaint is that GATT would sacrifice U.S. sovereignty and give too much power to pesky little countries that make trouble for the United States in other world forums.

Under the old GATT, if a dispute panel concluded that a country had violated trade rules that country could veto its own punishment. Under the World Trade Organization, or WTO, set up under the new GATT, only a super-majority can overturn a penalty. A super-majority also can change WTO rules and make binding decisions—even ones that Washington may not like.

There is an irony here. "We have complained for 20 or 30 years that we couldn't get justice" from GATT because individual violators of trade rules would simply veto its decisions, said Claude Barfield, the American Enterprise Institute's director of trade policy studies. The WTO kills

that veto power—but for the United States as well as for everyone else.

"That means that when findings go against us, we have to go along," said Jagdish Bhagwati, a Columbia University economics professor and former adviser to GATT. Mr. Bhagwati, a top economist on world trade, opposed the new GATT for months and negotiated back-room deals with clear rules that everyone has to follow. "We should be opening bottles of champagne," he said.

But keeping his champagne firmly corked is the House minority whip,



## Why Lifting the Arms Embargo Would Be a Mistake

LIFTING the arms embargo would neither level the playing field nor help the Bosnian cause.

No permanent member of the UN Security Council supports lifting the embargo. If the United States acted alone, it would Americanize the war, signaling that the United States was entering on the side of the Bosnian Muslims. America would become responsible for Bosnia's fate. It would encourage other countries to violate trade and financial sanctions against Serbia.

To lift the embargo now would send exactly the wrong signal at a fragile and pivotal moment in the peace talks. The Serbs, understanding that the Muslims might get more arms, would move swiftly to crush

Bosnian government forces. Both sides would be tempted to intensify a war that neither can win.

NATO is working on a strategy of force to create a peace settlement. If Washington lifted the embargo unilaterally, that strategy would be undermined. Russia would suffer, since Moscow would lose its under great pressure to provide arms to the Serbs.

—Claiborne Pell, chairman of the Senate Foreign Relations Committee, and Les Harkin, chairman of the House Foreign Affairs Committee, commenting in *The New York Times*.

Offshore installations are costly and hard to defend. At the very least, the Crestone block may set an eastward limit for Vietnam's oil search. China's own offers of offshore exploration territory, such as the Tarim Basin, may also cause foreign companies to head its claims, however absurd, to the South China Sea.

China's aggressive stance appears encouraged by a combination of U.S. and ASEAN paralysis on the issue. Of ASEAN members, only Indonesia, which is not directly involved in the South China Sea question, shows any inclination to challenge

China's regional preeminence. Malaysia and the Philippines fear that their national rights are in the balance as those of Vietnam are not. Publicly, at least, they have taken refuge in platitudes about their role in China's goodwill and peaceful resolution of disputes.

If the United States, ASEAN and Japan cannot identify their common interest on this issue, it is a matter of time before the Asian nations shores become a Chinese lake.

International Herald Tribune.

## Don't Let China Take Intellectual Property

By Gregory Stanko and Nisha Mody

WASHINGTON—All but lost in the raucous debate over most-favored-nation trade status for China is an issue that is draining American writers, musicians and software designers of hundreds of millions of dollars a year: Chinese piracy of U.S. intellectual property. The Clinton administration should be punishing the Chinese for their theft of American compact discs and computer software.

Instead, it has put off a decision on the issue until June 30. And one of the strongest countermeasures available to Congress may be weakened by legislation to implement the Uruguay Round of negotiations on a world trade treaty.

Intellectual property—primarily books, films, computer programs and musical recordings—has become an increasingly important American ex-

port. From 1991 to 1992, exports of all such products increased by 9 percent. They were only exceeded by those of the aerospace and agriculture industries.

In 1993, piracy cost copyright-based industries at least \$8 billion. China is responsible for more than one-tenth of this loss: \$827 million. China's brazen piracy is well known. The Office of the U.S. Trade Representative says that 15 laser and compact disc factories in China produced 50 million pirated discs last year.

One of the worst offenders is the Shenfei Laser Disc Optical Systems Co., which has made illegal copies of movies such as "Jurassic Park" that have yet to be released on video in the United States. Despite Americans' complaints, nothing has been done. Computer software and books are also pirated in China, sometimes

with the consent of government-controlled institutions.

The Reflective Metals Institute at Shenzhen University produced 60,000 holograms for a Taiwanese counterfeit, who placed them on imitation Microsoft products. The company estimates that the counterfeits cost it \$30 million to \$150 million last year.

To combat this thievery, the United States must enforce Special 301, a section of U.S. trade law that deals with intellectual property. That provision requires the trade office to publish a list of problem countries yearly and allows it to initiate investigations that can lead to sanctions.

Yet legislation now being drafted to carry out the Uruguay Round agreements may weaken Special 301. Some trade lawyers advising Congress argue that any sanctions called for by the agreements do not properly apply to intellectual-property violations. In the debate over carrying out Uruguay Round agreements, which is likely to take place this summer, Congress should ensure that trade legislation explicitly declares that the United States can impose sanctions.

As the administration has painfully learned, Beijing will not respect what it perceives to be a hollow warning. Now it is up to Congress to stick up for copyright-based industries, which will continue to grow in importance in the 21st century.

Gregory Stanko is a research associate at the Economic Strategy Institute, an economic and trade policy organization. Nisha Mody is a research assistant. They contributed this comment to *The New York Times*.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1894: Sporting Ladies

ROME—Two ladies in Rome have given proof of their devotion to sport. The Duchess Grazioli-Lante and Marchioness Lavaggi, the Duke Castani di Sermoneta, Marquis Analdi, the brothers de Martino, Marquis Pizzardi and the Duke Grazioli Lante, all mounted on bicycles, started out the other day gaily for Castel Fusano. At about half way, the rain came down in torrents. The ladies turned a deaf ear to the exhortations of their escorts, and courageously pursued their way. "Always forward, always forward, even in the face of the deluge." They arrived at Castel Fusano with their enthusiasm undampened, though their clothes were in a deplorable condition.

### 1919: Shantung's Future

PARIS—Baron Makino, on behalf of the Japanese Delegation, has issued a statement emphasizing Japan's determination to retribute

Shantung to China, which will preserve sovereignty over the peninsula, Japan only retaining the economic privileges formerly granted to it. Many, among the railway, will be a Sino-Japanese enterprise. Baron Makino says that the peninsula will be composed of Chinese with Japanese instructors to be selected by the Chinese Government.

### 1944: Gandhi to Go Free

LONDON—[From our New York edition:] Mohandas K. Gandhi, leader of the Indian National Congress, has been released today (May 6) from the prison of the Aga Khan in Poona, India, where he has been detained for twenty-one months. It was announced here last night. An official report said: "In view of medical reports from Mr. Gandhi's health, the Government of India have decided to release him unconditionally." Gandhi's wife, Kasturba, who went into detention with him, died last February.

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## OPINION

## Believe the Spy or Four Great Men?

By Priscilla Johnson McMillan

CAMBRIDGE, Massachusetts — In a recent article in *The Washington Post*, Terrell and Leona Schecter characterized the Manhattan Project as a "bomb program" that succeeded brilliantly. I take exception. The A-bomb program was a brilliant success only because it was a bomb program. It was not a success because it was a bomb program. It was a success because it was a bomb program.

It is true, as the Schecters say, that no one can put together the pieces exactly as their source Pavel Sudoplatov, the former officer in Stalin's secret police, has done. But he did not become head of Soviet intelligence-gathering on the bomb until 1944, whereas his claims concerning atomic espionage mostly concern the years 1941 to 1943, when he was directing Soviet guerrilla operations behind German lines.

I regret that Mr. Sudoplatov was not left to tell his story free of considerations of the American marketplace. If he is not, as the American authors claim, the single "surviving institutional memory" of the Russian intelligence service's covert operations from the 1920s to 1953, he is an interesting historical source, especially for the 1930s and the last years of Stalin.

What we have in the chapter of the Schecter book called "Atomic Spies," however, is nothing resembling history. It is a potpourri of gossip from agents who apparently exaggerated such as the Manhattan Project as they may have had and remembered it at third and fourth hand years afterward.

The Schecters ask, why should we disbelieve Mr. Sudoplatov? To this I respond, why believe him? General Sudoplatov was guilty of many crimes, of which lying and disinformation may be the least. To accuse four of the greatest scientists of the century — Niels Bohr, Enrico Fermi, Leo Szilard and Robert Oppenheimer — of committing treason at a time when they were helping save America surely requires documentary proof, and there is not a hint of it here.

As for the Schecters' other points: • If the December 1941 lunch at which Robert Oppenheimer allegedly told the Soviet resident Gregory Khlebnikov about Albert Einstein's secret letter is, as the Schecters say, "on record in Moscow files," why does the document not appear in the book? Not only do Mr. Oppenheimer's biographer and closest surviving friends believe that he learned of the Einstein letter only long after the war, they point out that there was nothing significant in it. Besides Einstein, only Eugene Wigner, Leo Szilard and Edward Teller knew of the letter. None was close to Mr. Oppenheimer or had reason to tell him of it.

• Why credit the unsupported assertion by the KGB agent Alexander Feklisov that Mr. Oppenheimer requested the physicist Klaus Fuchs's participation at the weapons laboratory in Los Alamos, New Mexico, in the face of a mountain of evidence in British and American files to the contrary?

• As for Mr. Sudoplatov's claim that Niels Bohr pointed to a drawing shown him by the physicist-secret agent Yakov Terletsky in November 1945 and helped solve a problem with the Soviet nuclear reactor, David Holloway of Stanford University and Gennadi Gorelik of the Diderot Institute in Cambridge, Massachusetts, have both read Mr. Terletsky's account, which described the mission as unsuccessful and made no reference to a drawing.

• In 1946, when the Schecters allege that Mr. Fuchs was influencing Enrico

Fermi and Mr. Oppenheimer to oppose the hydrogen bomb, both men were proponents of H-bomb research. They never opposed such research, but made up their minds to oppose the so-called crash program of development during the last days of October 1949, three years after Mr. Fuchs had left the United States.

As for Leo Szilard, he lacked a security clearance and played no part in H-bomb discussions at all.

The Schecters are correct in saying that Mr. Feklisov wrote about Mr. Fuchs's role in H-bomb discussions in the *Journal of Military History*, January 1991, but Mr. Feklisov says nothing in the article about attempting to plant with Mr. Oppenheimer, Mr. Fermi and Mr. Szilard the idea of opposing the H-bomb. He says nothing about them at all.

• Leo Szilard was in no position to introduce moles into the scientific laboratories working on the bomb, since General Leslie Groves, the army's director of the Manhattan Project, refused to allow him near the project. Mr. Szilard never worked on the atomic bomb.

• George Gamow did not work on the Manhattan Project, and was not cleared to work at Los Alamos until 1949.

By the most important issue raised by the Schecters is the place of oral

history, or memoirs, in the overall writing of history. Memoirs, depending on the source, can be a valuable part, but they are not the whole story. Responsible historiography requires careful weighing both of documents and of the memories of participants.

The Schecters admonish us to seek out the records, both in Washington and Moscow, and listen to what they have to say. It seems to me, however, that Western scholars have done a better job of reading the available records than have the Schecters and Sudoplatov, since their chapter on "Atomic Spies" is filled with easily disproved allegations.

Learning the truth is hard enough, since archival sources as we know it does not exist in Moscow, and documents are doled out selectively by those who control the archives and want to control Moscow's version of history. We can expect shocks and confusion, as bits and pieces emerge, tantalizingly, in the years ahead. As for "Special Tasks," what should have been a useful memoir stands compromised by the falseness and sensational presentation of the atomic chapter.

The writer, a fellow at Harvard's Russian Center, is working on a book about Robert Oppenheimer and the development of the hydrogen bomb. She contributed this comment to *The Washington Post*.

## They Build on Braggadocio And Faulty Detective Work

By Richard Rhodes

MADISON, Connecticut — Pavel Sudoplatov, the last of Stalin's wolves, has emerged tottering from his lair to inform us of his crimes.

In his memoir, "Special Tasks," the 87-year-old former Soviet spy, also implicates four of the most important physicists behind the Manhattan Project, the U.S. government's program to develop the atomic bomb.

In a chapter called "Atomic Spies," Mr. Sudoplatov's accusations against Niels Bohr, Enrico Fermi, Leo Szilard and Robert Oppenheimer continue his career of assassination. Only this time his target is the character of honorable men.

By his own testimony, Mr. Sudoplatov is a criminal and a murderer, but his co-authors — his son Anatoli, a professor at Moscow University, and Jerrold and Leona Schecter — ought to be ashamed.

Mr. Sudoplatov claims that the four scientists supplied him with classified information from the American project. Most of Mr. Sudoplatov's claims are no more than vague assertions of "cooperation." Others are distortions or perhaps fabrications. He writes that Mr. Szilard supplied "vital information" from the weapons laboratory at Los Alamos, New Mexico.

But Mr. Szilard never worked at Los Alamos. He worked at the University of Chicago, helping Mr. Fermi build the first nuclear reactor, which began operation in December 1942.

Mr. Szilard did share with Mr. Oppenheimer and Mr. Bohr a conviction which Mr. Sudoplatov distorts: that the United States should inform the Soviet Union about the atomic bomb project before using the bomb and should begin discussing international control of the revolutionary new weapon.

In 1944, Mr. Bohr met with President Franklin D. Roosevelt to express this conviction — not, as Mr. Sudoplatov has it, to urge Roosevelt to share atomic secrets in a follow-up letter to the president. Mr. Bohr wrote, "It is wholly outside my province to suggest the procedures appropriate to such delicate problems of statecraft."

Mr. Fermi is the least likely suspect of the scientists Mr. Sudoplatov smears.

Though he was politically conservative, Mr. Fermi is cast in "Special Tasks" as the puppet master of the Italian physicist Bruno Pontecorvo, a known spy who defected to the Soviet Union in 1950.

Mr. Pontecorvo supposedly supplied a "full report" on the reactor's start-up in Chicago, implicitly with Mr. Fermi's collusion. "A few hours after the pile of graphite went critical," Mr. Pontecorvo's Soviet control had received a prearranged telephone message saying "The Italian reactor reached the new world."

The written report followed. "It makes a nice story, except that Mr. Pontecorvo was employed at the time by an oil-prospecting firm in Tulsa, Oklahoma, and took up atomic energy research only in 1943."

The story also bears a remarkable similarity to an anecdote in a 1956 memoir, "Atomic Quest," by Mr. Fermi's boss, the physicist Arthur Compton. Immediately after the Chicago reactor started, Mr. Compton writes, he called James Conant, president of Harvard and head of the atomic project, and told him, "You'll be interested to know that the Italian reactor has just landed in the new world."

The Schecters could easily have checked Mr. Sudoplatov's story in the appendix of their own book.

Igor Kurchatov, the scientific head of the Soviet atomic project, comments in a document dated July 3, 1943, that the latest Soviet espionage revealed that "attempts by American researchers are very serious to execute a uranium-graphite pile in the near future."

Seven months after the start-up, he obviously had no idea that the United States had already been successful.

But Mr. Sudoplatov's most despicable allegations concern Robert Oppenheimer, the director of the weapons lab at Los Alamos. He claims that Mr. Oppenheimer hired the physicist Klaus Fuchs and gave him access to documents "he had no right to look at."

Mr. Fuchs, who subsequently confessed to passing detailed plans of the plutonium bomb to the Soviet Union in 1945, was part of a British contingent

## Small Talk Helps Make A Big Day

By Dominique Bauthier

WASHINGTON — He was a round-faced man in his fifties, with an engaging smile. He wore a traditional African shirt and a navy beret. He was black and voting for the first time in a South African election.

As a white, I had taken part in the 1992 referendum that started my country of birth on the road to democracy.

## MEANWHILE

I had not, however, been able to bring myself to take part in earlier elections, which excluded the majority.

As we waited in line to vote, we did not talk of past injustices, or even of the reasons why we found ourselves in a nondescript annex of the South African Embassy on this historic day. It seemed so natural that we should be standing there.

We reminisced about the country we had left behind. Someone found a travel brochure and we examined it, comparing the Blue Ridge Mountains of Virginia to the South African landscape. We spoke of the majesty of the Cape, the lush vegetation of Natal, the hills of the eastern Transvaal.

We found we missed the same things. The more we talked, the more we discovered common experiences.

We both spoke with affection of the Afrikaans language. Usually shunned as the language of oppression — particularly after the government ordered its use in black schools, sparking the deadly riots in Soweto and elsewhere in 1976 — Afrikaans had been a bridge for both of us.

over which Mr. Oppenheimer had no control. And every Ph.D. at Los Alamos had complete access to documents.

Hans Bethe, the Nobel laureate who was Mr. Fuchs's boss at Los Alamos, scoffs at the allegations against Mr. Oppenheimer. "We now know that Fuchs transmitted full information to the Soviets," he told me. "He did not need Robert Oppenheimer's collusion" to do so.

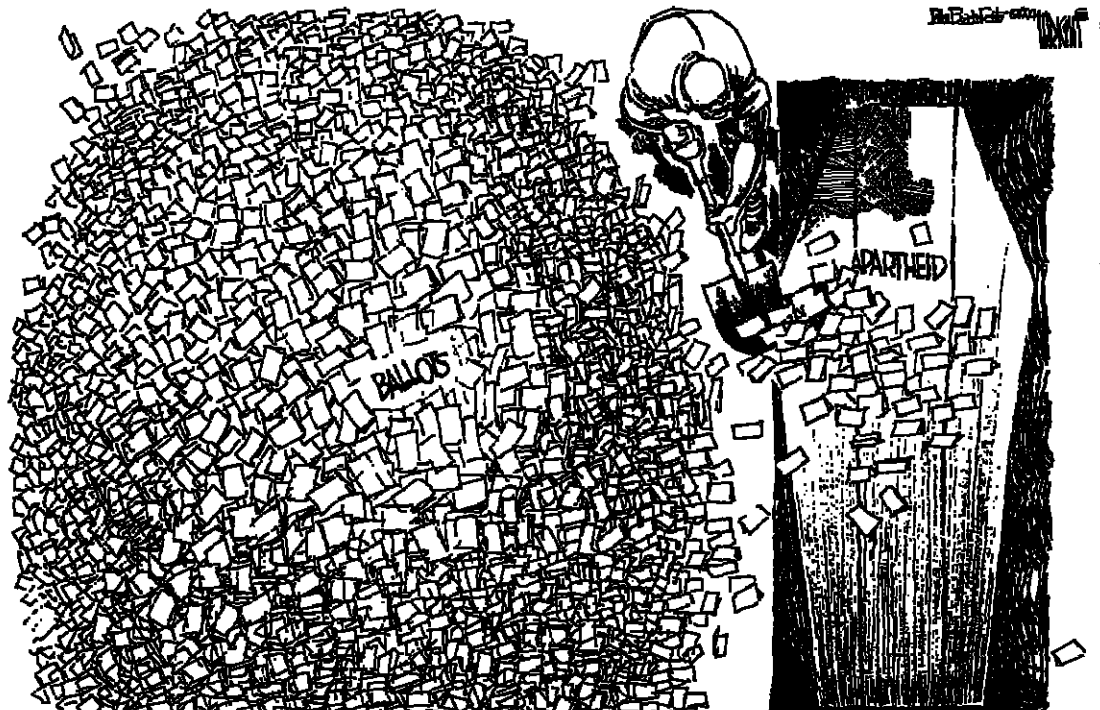
Mr. Oppenheimer makes an easy target because he was later accused of being a Soviet spy and was stripped of his security clearance in 1954. He was exonerated of espionage charges, however.

In 1943, for example, he alerted a Manhattan Project security officer, Boris L. Fash, who secretly recorded their conversation. "I know of two or three cases, and I think two of the men are with me at Los Alamos," Mr. Oppenheimer said to Mr. Fash. "They told me they were contacted" for information. He added, "Of course, it is reasonable."

I recently challenged the Schecters with this information. They were unaware it existed. I cannot speak to the credibility of the rest of this notorious book, but the chapter on "Atomic Spies" is gumshoe braggadocio.

The writer, author of "The Making of the Atomic Bomb," is at work on a book about the Soviet and U.S. hydrogen bomb projects. He contributed this comment to *The New York Times*.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



Many years ago, my fellow voter told me he was in a restaurant in Zambia with a group of black South Africans. They talked in Afrikaans so that the Zambians couldn't understand them. An Afrikaner overheard them and excitedly offered them a beer. "We had such a great talk," my neighbor said. "I told him I wished we could do that across the border," in South Africa.

I recounted a similar experience. A friend and I were walking down a Paris street, jokingly speaking Afrikaans instead of English, when a tall black man came up from behind and tapped me on the shoulder. He said he was a South African and never thought he would want to hear Afrikaans again, "but hearing you girls makes me homesick." We, too, shared a beer.

In the embassy queue — there were about 100 of us at this point — the conversation moved to food. Someone

had found a brochure from a mail-order company listing South African specialties available in the United States. We clearly came from quite varied backgrounds, but no matter where in South Africa we had grown up, or how poor or well-to-do we had been, we all seemed to miss Mrs. Balls' chutney, biltong (a dried meat) and mielie pap (a maize-meal staple).

We talked about roses, lime juice, smooth apricot jam and Ouma's risks, a kind of dried biscuit.

We all, I think, had a sense of amazement that this election, which had seemed an impossibility when I left South Africa six years ago, had finally come. But there was a sense of normalcy. We had waited so long for this, in some cases fought for it. That we should all be here now seemed just right.

Then it was my turn to vote. In my mind I subjected my decision to a last-

minute challenge, then I entered the booth and made my mark. Coming out, I saw the smiling face of my neighbor turn serious as he headed to the booth with the first ballot of his lifetime.

Outside, we South Africans — the young black fellow enrolled at the American University, the elderly, conservative-looking Anglo-Saxon type, the gaudy couple decked in gold — gathered at a café and swapped business cards. They had written their names down in a book to be sure they would be invited to a South African reunion on July 4, a date picked, of course, because it is America's Independence Day.

The writer, an editor at *The Daily Progress* of Charlottesville, Virginia, contributed this comment to the *International Herald Tribune*.

## LETTERS TO THE EDITOR

## Respite for Southeast Asia?

Regarding "For Southeast Asia, a Crucial Respite" (Opinion, April 29) by Marvin Ott:

Mr. Ott suggests that "many Southeast Asians will volunteer a judgment that the U.S. forces brought the region a critical decade that was used to fend off the Communist challenge and build the vibrant countries we see today."

In fact, a number of Southeast Asians will disagree with this. Was it really a crucial respite or one that was more crucial to the U.S. than to the region?

The "respite" Mr. Ott speaks of was essentially an aberration to the natural, logical and progressive development of the countries of Southeast Asia. What did those years really mean?

First, the war was a tragedy of enormous proportions for the people of Southeast Asia and for Americans, too. The U.S. military involvement in Vietnam cost America enormously in treasure and the lives of its youth. By trying to shore up a corrupt regime in Vietnam, the United States forestalled the natural and nationalistic development of Vietnam. The human losses in Vietnam were of even greater proportions.

Second, the expansion of American military operations into Cambodia led directly to the ousting of Prince Sihanouk, which in turn was the critical beginning of the Khmer Rouge arrival in power. Pol Pot and the rest of his Khmer Rouge cohorts laid waste an entire society. What sort of respite was this?

Third, Cold War calculations atrophied and misdirected regional cooperation. This was especially evident in the

activities of the then fledgling organization ASEAN.

Fourth, the "respite" theory does not fully consider the fact that all countries of the ASEAN region pulled themselves up economically despite pervasive poverty, Communist subversion and a potentially crippling reliance on monochromatic economic structures.

The achievement of the ASEAN countries owe much to political leadership and the hard work of its population. The years of "respite" were often years of challenge. Singapore's evolution from a colonial outpost into a vibrant, modern economy was the achievement of Lee Kuan Yew. Malaysia, after the civil disturbances of May 1969, achieved progress in restructuring society and abolishing poverty and has rapidly industrialized during the Mahathir administration. Indonesia, under President Suharto, laid the foundation for its current growth.

The common judgment of America's military involvement in Vietnam is in many ways the correct judgment: It was totally misconceived, totally mismanaged and ultimately pointless.

MURUGESU PATHMANATHAN, Kuala Lumpur.

Mr. Ott is quite correct in saying that the Vietnam War must be considered in a broader context. The U.S. intervention in Vietnam gave the countries of Southeast Asia the crucial respite from Communist subversion that they needed to develop into the strong, stable and market-oriented nations that they are today.

In an even broader context, the Vietnam conflict should be seen as a campaign on the Eurasian periphery in the

long Cold War. The Korean and Afghanist wars were other such campaigns on the periphery of Eurasia. All served the purpose of implementing the policy of containment as first explicated by George Kennan — even though Mr. Kennan later got cold feet and claimed that he had been misunderstood.

I realize this all sounds terribly Cold War-ish and tragically old-fashioned. Fortunately, it's also true.

STEPHEN KLEIN, Munich.

## Back to the Basics

As an American musician living in Paris, I have made your newspaper an important fixture in my expatriate life. I am an addict of the *Opinion* pages, look forward to Michael Zwerin on jazz, follow American basketball in the Sports pages, and am a recent Dave Barry convert. But my confidence has been shaken.

A photo caption in your April 16 issue refers to "a musician playing his cello in the center of Sarajevo on Friday." As one who plays it, I can assure you that the instrument pictured is that noble beast of string instruments, the double bass.

JOSEPH CARVER, Paris.

An article submitted to the *International Herald Tribune* appeared in this newspaper on March 29 entitled "They Don't Rattle the Cages but the Bars Are Still There." It has been learned that the same article was submitted by the writer to *The Wall Street Journal Europe* and had appeared in that newspaper as well.

## BOOKS

## MENCKEN: A Biography

By Fred Hobson. 650 pages. \$35. Random House.

Reviewed by Bruce Bawer

THIRTY-EIGHT years after his death, H.L. Menckens remains one of the most controversial of American writers. The 1989 publication of parts of his diary occasioned a surprisingly fierce public debate over whether the man whom Edmund Wilson hailed as the "civilized consciousness of modern America" could fairly be described as a bigot; the unsealing in 1991 of Menckens's remaining papers was a media event. Fred Hobson's "Menckens" is the first of several projected biographies to draw on those papers.

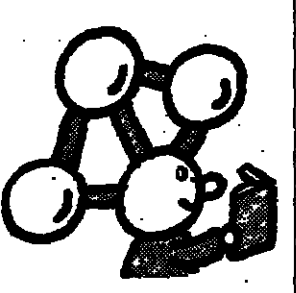
One might have thought it impossible to write a dull book about a Menckens. But though Hobson (a University of North Carolina professor and the author of several studies of Southern literature) has some perceptive things to say, he utterly fails to bring his subject to life. Sober and scholarly, Hobson seems temperamentally mismatched with the lifelong Balti-

## WHAT THEY'RE READING

• Bill T. Jones, American dancer and choreographer, is reading "Black Holes and Baby Universes," by Stephen Hawking.

"Only understand about 50 percent of the book, but I get a religious experience from pulsars and the uncertainty principle in particle physics. It is extremely comforting to read about the infinitely small and the infinitely large."

(Randi Amelan, IHT)



morean and American Mercury editor who coined the terms "Bible belt" and "booboisie," and never tired of mocking preachers, politicians, and (yes) professors.

This book, in short, never takes flight. Too much of it reads like a plodding annotated catalogue of writings and friendships. Hobson can't tell a funny story, and has little to say about Menckens's masterwork, "The American Language." Yet Hobson has his moments. He does a fine job on Menckens as family man, arguing that his iconoclastic views were a

mark of filial loyalty — for those views were acquired from his German immigrant father.

"He was as rigid a thinker," observes Hobson, "as the American Puritans he so vilified." Indeed, though he shaped countless opinions, Menckens was himself well-nigh immune to influence, taking for granted that people come equipped with certain prejudices and seeing it as his role simply to speak from his own.

Menckens bled with paradox. Often dismissed as a philistine, he was the first American editor to

publish James Joyce. Though he could be a generous friend (even paying Emma Goldman's medical bills), he treated his longtime mistress shabbily and responded heartlessly to two friends' suicides. He was also fearless about war. During World War I he wrote, "The Nietzsche, that 'War is a good thing because it is honest, because it admits the central fact of human nature. . . . A nation too long at peace becomes a sort of gigantic old maid.' World War II be applauded issues and was, for his time, unusually supportive of equal rights for blacks. Likewise, though he slurped Jews as "kikes," Menckens went to great effort and expense to save German Jewish

friends from Hitler and rebuked FDR in print for not relaxing quotas so that Jews might enter the United States.

Was Menckens a bigot? To judge by his personal tolerance, civil rights advocacy, and friendships with Jews and blacks, he wasn't; to judge by his drawing of private distinctions, assertion of a right to discriminate, and use of offensive epithets, he was.

Does it matter that he spread those epithets around, mocking Christianity more than he did Judaism, and ridiculing poor Southern whites more than he did blacks? If the test is whether one sees people as individuals or generalizes about groups, Menckens fails: He generalized but made exceptions.

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If Menckens was endowed with rare insight into human failings — an insight that made possible his prediction, in 1922, that there would be "a colossal massacre of Jews" in Germany and, in 1927, that there would be wartime round-ups of Japanese-Americans in the United States — he was loath to look beyond those failings into the mystery of meaning. He scorned introspection; his diaries include thoughts on almost everything except his own depths. Not so his friend William, who succeeded him as America's all-purpose critical authority.

Yet if Menckens's outrageousness makes it hard for some to take him as seriously as they do Wilson, the colorful, contrarian Baltimorean is, for many, a cultural hero in a way that Wilson could never be. Hobson doesn't quite capture that hero; one looks forward to a biography that does.

Bruce Bawer, whose books include two collections of literary essays and "A Place at the Table: The Gay Individual in American Society," wrote this for *The Washington Post*.

## BRIDGE

## By Alan Truscott

SOUTH bid quickly to four hearts after West had opened one spade and East had passed. West led the ace and another heart, and South could count five trump tricks, a ruff in the dummy, and three top winners in the minor suits. To make a tenth he needed to score a trick with the spade king or the club jack. It was highly probable that West held both the spade ace and the club queen.

After winning the second trick, South led to the diamond ace and ruffed a diamond trick. Cards in diamonds. He then cashed the A-K of clubs and reached this position:

NORTH  
♠ 4 2  
♥ 7 4 2  
♦ 8 7 6 3 2  
♣ 7 5

EAST  
♠ 10 8 7  
♥ 6 5 3  
♦ 10 9 8  
♣ 4 3 2

WEST  
♠ A Q J 9 5  
♥ —  
♦ —  
♣ 10

SOUTH  
♠ K 6 3  
♥ Q K J  
♦ —  
♣ J

Both sides were vulnerable. The bidding:  
West 1♠ Pass  
East 1♥ Pass  
South 4♥ Pass

West led the heart ace.

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| Argentina      | 001-54-111-1111 | Costa Rica         | 00-506            | Czech Republic | 00-42  | Ecuador     | 00-593   | Finland | 00-358 | Hong Kong | 00-852 | India | 00-91 | Indonesia   | 00-62 | Israel | 00-972 | Malaysia | 00-60 | Mexico      | 00-52 | Nicaragua | 00-502 | Norway   | 00-47 | Philippines    | 00-63 | Portugal            | 00-351            | Romania   | 00-40 | Russia | 00-7 | Singapore | 00-65 | Slovakia | 00-421 | Slovenia | 00-386 | Turkey | 00-90 | U.S. Virgin Islands | 00-1-800-877-8888 | Venezuela | 00-58 |
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# LEISURE

## Paris Cafés: New Tables For Spring

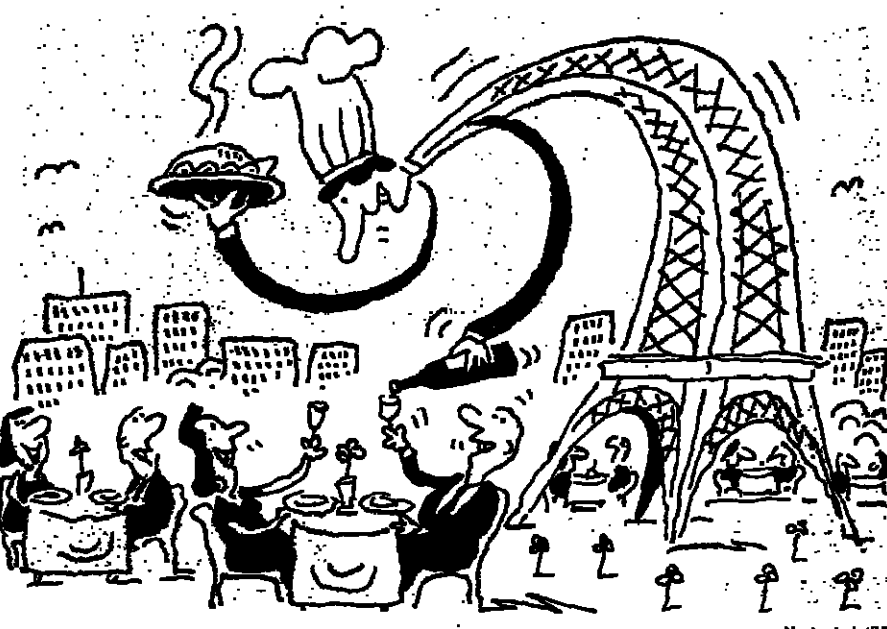
By Patricia Wells  
International Herald Tribune

PARIS — Following a quiet, almost sluggish time for Parisian restaurants this winter, a new crop of addresses has sprung up, just in time to move the tables outdoors.

A bright new Left Bank spot is Les Bouquinistes, a butter-yellow and bottle-green bistro devoted to updated French home cooking. The man behind the stove is William Ledoux, who has won praise for his cooking at Guy Savoy's Bistrot de l'Etoile Lauriston. Les Bouquinistes (an anglicized play on the French word for bookseller) is Savoy's first venture across the Seine, and a recent visit suggests it is a sure hit.

The 50-seat bistro looks onto the quai, and in warm weather tables will move onto the sidewalk. Ledoux strikes it right with simple, robust fare in intensely flavored, modern versions of what he was once fed by a doting grandmother in the Loire Valley.

He takes fresh cod, or cabillaud, crushes it and sautes it in virgin olive oil, adds a touch of crushed potato, then a bit of cream, for a brilliant and light salad of brandade. Huge white mushrooms are stuffed with a Parmesan-laced polenta, then grilled and set in a light mushroom broth. Many classics, such as beef with carrots, arrive unadorned. Just moist, chewy strips of beef topped with an aubergine of carrots. With this, drink the 95 franc (317) Chateau de Fiesles, a fresh red from old cabernet vines in Angon, a vineyard overseen by the pastry king Gaston Lenôtre. My favorite dessert is oversized, warm ma-



deines filled with bittersweet chocolate and served with vanilla-rich ice cream.

Grand cafés remain Paris's forte, and Parisians have already made the new Café Marly the city center meeting spot. It doesn't hurt that this homey-elegant Napoleon III café looks out on L.M. Pei's glass pyramid in the Louvre's main courtyard, as well as the stunning, skylit interior Cour Richelieu, part of the massive renovation of the museum.

Come June, tables will spill out onto the Louvre terrace. Come for single cups of bracing espresso, a platter of roast chicken, or a wedge of Camembert, enjoy the soft classical music and take in the clever blend of old and new architecture. The bathrooms rate an architectural award of their own.

The Café Indochine's menu reads much like a computer printout of hundreds of Vietnamese/Thai/Chinese restaurants. Yet, a clean colonial decor, waiters in chic beige silk, and a clientele that would be at home in Saint-Tropez, have made this one of the

hottest dining spots of the season. The food is good enough to go back for a second round, and though service is hesitant, one can count on some crispy deep-fried *rouleaux saignants* served with plenty of greens for wrapping and sauce for dipping, and a properly piquant *salade de boeuf* showered with fresh tongue-tling Thai peppers and a healthy ration of watercress.

Les Bouquinistes, 53 Quai des Grands-Augustins, Paris 6, tel: 43-25-45-94. Closed Saturday at lunch and Sunday. Credit card: Visa, American Express. 160-franc lunch menu, 75-franc plat au bar, à la carte, 180 francs, including service but not wine.

Le Café Marly, Palais du Louvre, Cour Napoleon, 93 Rue de Rivoli, Paris 1, tel: 49-26-06-60. Open daily, 8 A.M. to 2 A.M. Credit card: Visa, American Express, Diner's Club. Menu: 150 francs, including service and wine.

Café Indochine, 195 Rue du Faubourg Saint-Honoré, Paris 8, tel: 53-75-15-63. Closed Saturday at lunch and Sunday. Credit card: Visa. A la carte, 250 to 300 francs.

## French Trains: Improved Service?

By Barry James  
International Herald Tribune

PARIS — It may not seem like it from the frustration of passengers trying to wrestle tickets from fiendishly complex electronic terminals, but French railways say that problems with Socrate, its computerized reservation system, are almost over.

Sébastien Bachollet, who is responsible for the system, acknowledged that the ease of communication between customer and machine is not all that it should be. He said the most urgent priority is to simplify and speed up the electronic displays on the automatic booking machines in the stations.

But he said the number of complaints from passengers is sharply down, while staff would not for the world want to go back to the old system of thumbing through thick books of fare and route structures.

Socrate, an off-the-shelf purchase from American Airlines, was widely seen as symbolizing the engineering-oriented culture at SNCF, the French state railroad company, which has one of the world's most advanced networks of high-speed trains.

That network will take a major step forward with the opening of the tunnel under the English Channel, enabling a three-hour service between Paris and London, competitive with airline services. The northern link will later be extended to Belgium and Germany, and there are plans — but as yet insufficient financing — to extend the network toward the east.

Jacques Graindorge, an Economy Ministry official brought in last year to report on the company's service, cites Socrate as an example of how not to run a railroad.

He told the daily *Le Monde* that it was introduced without taking the needs of passengers into account. It was designed for an airline, and not for the more complex needs of a railroad with thousands of destinations

rather than hundreds, and thus more fare and travel combinations.

Graindorge said the system, inaugurated a year ago, was put into service long before it was ready, with an inadequately trained staff. Passengers were left to cope with a seriously user-unfriendly system, without preparation or information.

He said that the management should have stopped the experiment there and then, but that it obstinately continued to patch the

leading passengers to suspect that the reservation system was specifically introduced to conceal the higher prices.

Because of the recession, there were 8 percent fewer passengers in 1993 than in 1992, and SNCF piled up a 7.7 billion franc (\$1.3 billion) deficit.

Despite the problems involved in putting Socrate into service, Bachollet said SNCF could not have done otherwise but to have bought the system.

It had three choices, he said. Either it could have attempted to continue with its old reservation system, which was becoming increasingly unwieldy and ill-adapted. Or it could have developed its own system from scratch, a risk that nobody was prepared to take. Or it could have bought an already tried airline system. Since the high-speed network competes directly with the airlines on routes of up to about three hours, this seemed to be the logical way to go. Bachollet came from the reservation system of Air Inter, the French domestic airline, to help install Socrate.

One of the advantages of the system is that booking terminals can be installed anywhere there is enough business, and not just in railway stations. For example, terminals have been installed in military barracks, with the special military fares included on the screen. SNCF says it will put more booking clerks at busy stations this summer and will make it easier to buy or modify tickets for the by-reservation-only high-speed trains at the last minute.

The installation of 1,500 booking machines at suburban stations has been a particular source of frustration. The system is slow, leading to long lines of impatient passengers.

Asked why certain machines never seemed to function, Bachollet replied that "people tend to kick them a lot." He promised, however, that the machines will be speeded up and that the "dialogue" between passenger and computer will be simplified. Meanwhile, prepare to be patient.

## A government official cites the Socrate reservation system as an example of how not to run a railroad.

## THE ARTS GUIDE

### ARGENTINA

Buenos Aires  
Museum of Modern Art, tel: 46-9426. To June 30: "Works by the COBRA group." COBRA founded in 1948 as an international art movement taking its name from the first letters of the European capitals of the founders: Copenhagen, Brussels and Amsterdam. The exhibition features 150 paintings, sculptures and documents by Karel Appel, Corneille, Constant, Asger Jorn, Pierre Alechinsky and Lucien Kröner, from a private collection.

### AUSTRIA

Vienna  
Österreichisches Museum für Angewandte Kunst, tel: 711-36. Closed Mondays. Continuing to July 17: "Design of the 19th Century: Architecture of the 19th Century." Features architectural designs, sketches and models demonstrating the utopian force of 19th-century architecture. Posters using the theme of architecture as propaganda are also on show.

### BELOJUM

Antwerp  
Musée Plantin-Moretus, tel: (3) 233-02-64, closed Mondays. To July 24: "Gerard Mercator et la Géographie dans les Pays-Bas Méridionaux." A celebration of the fourth anniversary of Mercator's death, the exhibition features some original maps drawn by the cartographer, as well as works by other Flemish cartographers of the 16th century.

Tour Japonaise, tel: (2) 741-7211. Closed Mondays. To May 15: "Au Japon des Shoguns: Les Arts Décoratifs de l'Epoque Moderne au Japon." Features more than 100 works, including ceramics, textiles, lacquer, work and weapons from the Kinsai period. The exhibition, from the National Museum in Tokyo, dates from the mid-16th century to the 1850s.

### BRITAIN

Edinburgh  
Edinburgh Gallery of Scotland, tel: (3) 555-8921, open daily. To July 10: "Raphael: The Pursuit of Perfection." The genesis of the Renaissance. The Italian turn-of-the-century sculptor Michelangelo's "The Creation of Adam" is featured. The retrospective features 40 bronze, plaster and wax sculptures, mostly busts and figure studies, as well as 30 drawings and photographs.

London  
Serpentine Gallery, tel: (71) 402-8075. To June 5: "Some West Med. Some East Med." 14 young artists from Britain, Europe, the United States and Japan working in sculpture, installations, painting and photography deal with such issues as fear, loss, hope, death and fantasy. The exhibition will travel to Helsinki, Hannover and Albert Museum, tel: (71) 588-571, open daily. The recently opened Glass Gallery presents a permanent collection of more than 6,000 objects in glass dating back to 2000 B.C.

### CZECH REPUBLIC

Prague  
Kinsky Palace, tel: (2) 24-81-07-58. Closed Mondays. To May 22: "Fairy-tale motifs in Czech Art around the year 1900." Exhibition of book illustrations and drawings seen as a medium of the human dream of good, to May 22: "Architecture in the 1950s." The exhibition presents approximately 100 paintings, photographs and drawings documenting the output of architects in the style of Socialist Realism.

Sternberg Palace, tel: (2) 24-51-06-04, closed Mondays. To Oct. 9: "Hommage to Dr. Josef Hlasek." The exhibition presents 60 paintings donated by Dr. Hlasek to the National Gallery (1770-1848). Hlasek's collection contained a rich assortment of 17th-century Dutch art and of Bohemian Baroque art.

Regina Spring Festival, tel: (2)

### DENMARK

Copenhagen  
Nationalmuseum, tel: (45) 33-13-44-11, closed Mondays. To July 3: "White on Black: Images of Blacks in Western Popular Culture." Images and objects that illuminate prejudice against Africans and Afro-Americans in Europe and America. Mapping the role and development of black stereotypes in the West from 1800 up until today.

### FRANCE

Paris  
Centre de la Vieille Charité, tel: 91-56-28-38, closed Mondays. To June 12: "Poèmes de Marbre: Art des Cyclades dans la Collection Barberis-Muller." Features 70 works in marble and terra-cotta from the Cyclades, dating from 3000 to 1500 B.C., and discovered in the 18th century.

Paris  
Musée des Beaux-Arts, tel: 40-41-55-55, closed Tuesdays. To May 30: "Le Musée des Beaux-Arts: La Peinture de la Renaissance à l'Époque Moderne." Features 17th-century paintings from Bologna, including works by Ludovico Carracci and his cousins Agostino and Annibale, Guido Reni and Domenico Zampieri. At the same time, the museum is presenting its collection of 150 Italian paintings gathered by a private collector at the end of the 18th century, and including works by Titorelli, Perugino and Carracci.

Paris  
Centre Georges Pompidou, tel: 44-78-12-33, closed Tuesdays. To June 6: "Sol LeWitt." 200 drawings including a wall drawing, created between 1958 and 1993 and using different techniques such as color pencils, domestic ink or chalk.

Dominique de Sagazan, tel: 45-01-20-10, open daily. To July 31: "Kyoto-Paris-Kyoto: 1200 Ans d'influences." The exhibition is housed in the Chateau and in the Trianon and features 18th- and 19th-century western furniture, lacquer, and the influence of Japan. It also documents the activities of the five Kyoto kobo, the renowned workshops that keep up the traditional art of embroidery, textile dyeing and lacquer.

Grand Palais, tel: 44-13-17-17, closed Tuesdays. Continuing to Aug. 28: "Impressionisme: Les Origines, 1859-1898." Focuses on the artists that led, Renard, Pissarro, Manet and Degas to Impressionism. Works by Bouguin, Cézanne, Courbet and Whistler are also exhibited. Continuing to June 13: "Le Soleil et l'Etoile du Nord: La France et la Suède au 18e Siècle." Paintings, sculptures, art objects and architectural designs showing cultural exchanges between France and Sweden under the aegis of King Gustav III in his efforts to emulate the Court of Versailles.

### GERMANY

Berlin  
Ständische Musikfestival im Konzerthaus, tel: (30) 90-21-00. To May 11: Berlin welcomes orchestras, conductors and soloists from Denmark, Sweden and Norway in performances of works by Edvard Grieg, Carl Nielsen and Arne Nordheim.

Cologne  
Museum Ludwig, tel: (221) 221-29-79, closed Mondays. To July 29: "Der Unbekannte Modigliani." Die Sammlung von 400 Zeichnungen und Wasserfarben, die zwischen 1907 und 1914, und die von Paul Modigliani, der der Künstlerin auf den Weg in Paris in 1906.

Frankfurt  
Alte Oper, tel: (69) 13-40-400. The New York Opera Orchestra and choir, conducted by James Levine, perform Wagner's "Der Fliegende Holländer" with Deborah Voigt, Ben Heppner and James Morris (May 12); Verdi's "Luciano Pavarotti (May 13), and the first act of Wagner's "Die Walküre," with Waltraud Meier, Siegfried Jerusalem and Matti Salminen and third act of "Götterdämmerung," with Gwyneth Jones and Wolfgang Sawallisch (May 14).

Frankfurt  
Deutsches Architektur-Museum, tel: (69) 212-38471. To July 3: "Mo-



From left: Cycladic idol shown in Marseille; photograph of World War II cartoonist Bill Mauldin, in Washington; Francis Bacon painting, in Oslo, and detail of Petrus Christus's "Portrait of a Lady," in New York.

derne Architektur in Deutschland 1800 bis 1950: Expressionismus und Neue Sachlichkeit." Features the trends in German city architecture in the 20s, at a time of social and political instability. Such architects as Bruno Taut and Martin Wagner who built housing in Berlin, Ernst May in Frankfurt and Wilhelm Riphahn in Cologne are represented.

Kassel  
Documenta-Halle, tel: (561) 10-75-21, closed Mondays. To June 26: "Bernard Buffet." A retrospective of the expressive paintings of the contemporary French artist.

Munich  
Städtische Galerie im Lenbachhaus, tel: (89) 233-320-00, closed Mondays. To May 23: "Expressionistische Bilder aus der Sammlung der Fünfergruppe Ahlers." Features 50 German expressionist paintings, drawings and graphic designs, including works by Beckmann, Kandinsky, Kirchner, Macke and Nolde.

### GREECE

Megaron Concert Hall, tel: 728-2000. A complete performance of Beethoven's "Die Troyens," conducted by Michael Plasson, with Hildegard Behrens, Isabelle Vernet and Chris Merritt. May 8 and 12.

### IRELAND

Dublin  
Irish Museum of Modern Art, tel: (1) 671-8866, closed Mondays. To Aug. 21: "Labour in Art." Showing a historical retrospective of Irish labor from the mid-19th to the mid-20th centuries. A commentary by the journalist Fintan O'Toole tells the tale.

### JAPAN

Kyoto  
Kyoto National Museum, tel: (75) 541-1151, closed Mondays. To May 15: "Japanese Dynasties." Dynastic art from the late Heian Period, marked by the maturity of the art of raku, to the Kamakura and Muromachi periods, when the warrior class began to acquire real power. Aspects of aristocratic society are shown in Buddhist paintings, calligraphy and craftwork.

Osaka  
Osaka Municipal Museum, tel: (6) 771-4874, closed Mondays. To May 29: "Grand exhibition of Napoleon." An exhibition introducing the legacy of the French hero through various artists. Among the features are his and the empress's crowns, his favorite jewelry, letters in his own handwriting, and portraits painted by such

### ISRAEL

Jerusalem  
The Israel Museum, tel: (2) 708-811, open daily. Continuing to Aug. 28: "Back to the Shet: An-Sky and the Jewish Ethnographic Expedition 1912-1914." A life within the pale of settlement before World War I, centering on objects collected by the expedition and kept in the State Ethnographic Museum in St. Petersburg.

### ITALY

Milan  
Teatro alla Scala, tel: (2) 80-81-60. Verdi's "Rigoletto." Directed by Gilbert Delfo, conducted by Riccardo Muti/Maurizio Benini, with Riccardo Ferraro and Leo Nucci. May 14, 18, 21 and June 3, 6, 9, 13, 15, 17, 28 and 30.

### LUXEMBOURG

Musée National d'Histoire et d'Art, tel: 47-93-30, closed Mondays. To May 29: "Orfèvres de la Maison Royale de Danemark." This exhibition features works by Parisian silversmiths Thomas Germain, Antoine-Sebastien Durand and Robert-Joseph Augustus for the Court of Denmark, as well as silver items by Danish artists of the 18th century.

### NETHERLANDS

Amsterdam  
Van Gogh Museum, tel: (20) 570-5200, open daily. Continuing to May 29: "Pierre Puy de Chavannes." More than 150 portraits, still lifes, landscapes and drawings by the French painter (1824-1896), known for his Arcadian themes and his murals on the Sorbonne, Pantheon and city hall walls in Paris.

### NORWAY

Oslo  
Astrup Fearnley Museum for Modern Art, tel: (2) 22-93-60-60. To Oct. 9: "Double Reality." Features English figurative paintings by Lucian Freud, David Hockney, Francis Bacon and Leon Kossoff.

### PORTUGAL

Lisbon  
Teatro Nacional de São Carlos, tel: 348-8408. Stravinsky's "The Rake's Progress," directed by David Roger, conducted by Mark Wigglesworth.

### SWITZERLAND

Basel  
Antikenmuseum Basel, tel: (61) 271-2202, closed Tuesdays. To June 26: "Pompeji Wieder Entdeckt." Wall paintings, sculptures, jewelry and pottery buried at Pompeii after the eruption of Mt. Vesuvius in A.D. 79.

Geneva  
Petit Palais, tel: (22) 346-14-33, open daily. To June 12: "Moise Kallinger: Le Prince de Montparnasse." A retrospective of the works of the Polish-born artist, whose atelier became the meeting place for such artists as Modigliani, Soutine and Picasso. The exhibition features portraits, landscapes and still lifes.

Lausanne  
Musée Olympique, tel: (21) 621-65-11, open daily. To Sept. 4: "Miro: Matière et Couleur." More than 40 sculptures created between 1946 and 1974, including works in bronze, and engravings of the late '60s and early '70s.

### SINGAPORE

Empress Place Museum, tel: 336-73-33, open daily. Continuing to July 1994: "War and Ritual: Treasures of the Warring States." An exhibition of Chinese bronzes, from the Warring States period (475-221 B.C.).

### SPAIN

Barcelona  
Fundació Joan Miró, tel: (93) 329-1808, closed Mondays. To June 19: "Robert Rauschenberg." An exhibition of 200 of his best-known photographs, including nudes, flowers and portraits of celebrities. Also features the platinum prints on linen of 1987 where the artist merges elements of painting and of photography.

Museu Picasso, tel: (93) 319-83-10, closed Mondays. To June 26: "La Vanguardia Rusa." Features 83 paintings by more than 30 artists whose styles represent the major stylistic trends of Russian avant-garde: constructivism, cubism, futurism, neoprimitivism, suprematism. Includes works by Konechalovski, Malevich and Goncharova.

Madrid  
Centro de Arte Reina Sofia, tel: 467-5000, closed Tuesdays. To June 13: "Lucian Freud." Lucian Freud, the Berlin-born grandson of Sigmund Freud, with highly realistic nudes, portraits family members, lovers and friends.

### UNITED STATES

Fort Worth  
Kimbell Art Museum, tel: (817) 332-8451, open daily. To Aug. 14: "Impressionist Masterpieces from the Barnes Collection: Cézanne to Matisse." 80 French impressionist, postimpressionist and early modern paintings from the collection of Dr. Albert C. Barnes (1872-1951). Includes paintings by Manet, Renoir, Seurat and Picasso.

New York  
Brooklyn Museum, tel: (212) 638-5000. To Sept. 4: "Louise Bourgeois: Locus of Memory, Works 1982-1993." 25 sculptures and 30 works on paper executed in a variety of media, among them watercolor, charcoal, orange peel and gouache. Metropolitan Museum of Art, tel: (212) 570-3791, closed Mondays. To July 31: "Petrus Christus: Renaissance Master of Bruges." Features the master of 15th-century Dutch realism Petrus Christus, including 22 paintings that are remarkable for their luminosity, six drawings and an illuminated manuscript.

Museo del Barrio, tel: (212) 831-7272, closed Mondays and Tuesdays. To Aug. 14: "Reclaiming History." The first of a three-part exhibition exploring the theme of dialogue. Thirty Latin American artists have been invited to generate a visual dialogue between one piece of art chosen from the Museum's collection and one of the creaciones.

The Museum for African Art, tel: (212) 966-1313, closed Mondays: To Aug. 7: "Western Artists: African Art." 28 contemporary artists have selected African objects from their personal art collections, to show and explain the significance of African art for their work. Artists include Loma Simpson, Frank Stella, Françoise Schiller and Elsworth Kelly.

National Portrait Gallery, tel: (202) 357-2700, open daily. To Sept. 5: "Reporting the War: Journalistic Coverage of World War II." Features the lives and work of World War II journalists, including Ernie Pyle, Edward R. Murrow, Margaret Bourke-White and Ernest Hemingway, who brought news from the European and Pacific theaters to the home front.

## Rate the world's best restaurants with Patricia Wells.

The IHT's restaurant critic has set out on a rare and ambitious gastronomic journey, a search for the 10 best restaurants in the world. She will be rating, in month-to-month articles, the top restaurants from region to region, and comparing them to one another.

Whether it's the best in dim sum, delicious but secret sushi bars or the finest of French tables, she will guide readers with articles about inexpensive restaurants as well as the grand ones in the world's major cities. She will also share her tips on how to select quality restaurants in unfamiliar territory.

Don't miss this series.

COMING MAY 16TH  
SWITZERLAND

Patricia Wells is the author of *The Food Lover's Guide to Paris*, now in its third edition.



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# NYSE

Thursday's Closing

Tables include the nationwide pass up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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## THE TRIB INDEX

Measures the performance of the International Herald Tribune's top 100 foreign stocks.



1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994

Index value: 1000

Source: International Herald Tribune

For more information, contact: 212-512-2000

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## Thinking Ahead Co

### ABreath of F

By Ronald D. O...

WASHINGTON — A woman from Tokyo who...

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# BUSINESS

International Herald Tribune, Friday, May 6, 1994

Page 13



## THE TRIB INDEX: 110.23

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.

NEW YORK Times Service

Approx. weighting: 32% Asia/Pacific, 37% Europe, 29% North America, 4% Latin America.

Close: 125.52 Prev.: 125.57

Close: 113.26 Prev.: 113.50

Close: 92.75 Prev.: 93.08

Close: 103.64 Prev.: 105.57

Close: 115.47 Prev.: 115.81

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## Study Says SEC Should Regulate Derivatives

By Saul Hansell

NEW YORK — A congressional study of the complex financial products known as derivatives will recommend that the U.S. Securities and Exchange Commission be given broad powers to regulate dealers and corporate users of the instruments, according to people who have seen versions of the report. It is scheduled to be released May 18.

Although the report does not conclude the derivatives market has created inappropriate financial risks, it will also present a long list of other changes to laws and regulations to deal with derivatives.

The GAO has shown drafts of the report to several dozen financial regulators and industry officials in recent weeks.

A House subcommittee that had requested the study also held the first of three hearings on derivatives next week.

Derivatives are a broad class of financial transactions whose value is tied to — or derived from — the movements in another market, such as stocks, interest rates, currencies or commodities. While some derivatives, like stock options and financial futures contracts, have long been traded on organized exchanges, a huge over-the-counter market has arisen in recent years.

Some central bankers and regulators have expressed concerns that the complexity and rapid rise of derivatives could create risks among users or dealers that may elude the traditional legal, accounting and regulatory framework.

The report criticized senior managers at corporations and dealers for not having sufficient knowledge of their firms' derivatives activities.

According to people who have seen the report, the most significant recommendation is that companies that are derivatives dealers and not supervised by bank regulators should be regulated by the SEC.

## The Polyglot Operator

### U.S. Phone Companies Target Immigrants

By Sandra Sugawara

WASHINGTON Post Service

WASHINGTON — At MCI Communications Inc.'s newest customer service center in Pentagon City in Virginia, you never know what language you'll hear. Row after row of employees wearing headsets sit at computer terminals, telephoning the long-distance phone company's services in Chinese, Korean, Vietnamese, Thai and Japanese.

The changing ethnic face of the United States is creating an explosion of international calling by immigrants who want to stay in touch with the home country. Long-distance companies are scrambling to target these ever-proliferating customers — an estimated 800,000 immigrants are pouring into the United States each year.

And most spend more than U.S.-born customers. On the average, said Mark A. Schweitzer, MCI director of international marketing, South Korean immigrants spend more than five times as much on long-distance as does the average local resident.

"Calling to Asia is growing eight times faster than domestic long-distance calling," he said.

Among his customers is John Kim, a Korean immigrant who works in Washington. He calls his family back home two or three times a month, he said, adding that most Koreans he knows in the United States call Korea regularly. Mr. Kim says it's "very nice" to be able to ask detailed questions in his native language.

Such customers have helped expand transborder calling by consumers into a \$6 billion business in 1992. It is the fastest-growing and most profitable segment of the U.S. long-distance market.

MCI, AT&T Corp. and Sprint Corp. have concluded that to expand their share of the business they must speak these customers' languages. Each has hired Asian, Hispanic and other ethnic marketing and advertising firms to launch ad campaigns and storefront outreach programs that are geared in often meticulous detail to specific ethnic groups.

AT&T has three separate TV ads shot with three different casts — Korean, Chinese and Japanese — showing grandparents in foreign lands listening to their U.S.-born grandchild cry over the phone.

The Korean grandparents sing a Korean lullaby

and soothe the appropriate Korean baby talk, while the Japanese and Chinese versions reflect songs and baby talk from those cultures, said Jackie Moray, AT&T director of multicultural marketing.

Asian and Spanish-speaking immigrants, the largest and fastest-growing immigrant groups, are the most heavily targeted. But companies also are focusing resources on other emerging groups, such as Russian and Eastern European immigrants.

MCI's ambitious plans are most apparent in the company's new multilingual-dollar Asian Center on two floors of a glass high-rise building in Arlington, Virginia. It's one of a half dozen MCI centers that cater to non-English-speaking customers.

The center employs 75 customer service and sales people who between them speak most of the major East and Southeast Asian languages. MCI officials expect to double that number by the end of the year.

Sprint and AT&T have similar foreign-language operations. In fact, Sprint took the outreach approach one step further. More than a year ago, Sprint executives approached a group of Chinese community leaders in San Francisco and Los Angeles with an unusual joint venture proposal. The result was the Asian American Association, which is largely funded by Sprint.

The association has a dual function: One is to help new Asian immigrants get acclimated to the United States by explaining things such as medical care, schools and how to find shops. The second is to market Sprint services to those new immigrants, as well as to the rest of the Asian community.

AT&T also has set up a 24-hour over-the-phone translation service staffed by hundreds of interpreters who speak about 140 languages in all. The interpreters work out of their homes, with a computer system hooking them up by phone to customers. In essence, the system sets up a three-way conference call. The interpreter listens to both parties and translates. Prices range from \$2.20 a minute to \$2.60 a minute during the day, and \$2.50 to \$4.50 at night and on weekends.

AT&T has offered the service for about five years, but it has taken off recently, said an AT&T spokesman.

## Schimmelbusch Named to New Job

Bloomberg Business News

NEW YORK — Heinz Schimmelbusch, who was fired as chief executive of the German industrial conglomerate Metallgesellschaft AG after the company almost went bankrupt, got another job less than six months after his ouster.

Safeguard Scientifics Inc. hired Mr. Schimmelbusch to head a new subsidiary, Safeguard International

Group, which will provide venture capital for companies overseas and primarily in Europe.

"We believe that he has a great amount of talent and connections in Europe," said Steve Rosard, corporate counsel of the Wayne, Pennsylvania-based company. "He gives us access to many European markets, which we otherwise would have taken a great deal of time and expense to develop."

Safeguard officials declined to reveal how much Mr. Schimmelbusch will be paid. He officially joined the company last week.

Safeguard is an information systems company that manages and creates computer-related businesses. The company had \$1.7 billion in sales last year.

Mr. Schimmelbusch, who had been called Germany's manager of the year in 1991, has been a Safeguard director for the past five years. "He's a friend of the company and he knows how it operates," said James Harke, director of research at Laidlaw Equities Inc.

"I met him. He's a sharp guy with a wide range of knowledge," Mr. Harke said.

Mr. Schimmelbusch could not be reached for comment.

Metallgesellschaft fired Mr. Schimmelbusch on Dec. 17 amid allegations he was part of an effort

## BP Net Soars As Cost-Cutting Moves Pay Off

Compiled by Our Staff From Dispatches

LONDON — British Petroleum Co. said Thursday that earnings surged in the first quarter despite a sharp drop in oil prices as the benefits of two years of cost-cutting paid off.

The company reported that its current-cost net income rose 31.7 percent, to \$328 million (\$492 million), for the first quarter, surprising the markets, which had expected a figure of about \$250 million. Current-cost profit values oil inventories at current market prices.

The company also surprised the market with the announcement that it would raise its dividend to 2.5 pence from 2.1 pence. Analysts had generally forecast an increase later in the year but not at this point.

"They came out with a whopper," said Chris Buckley, an oil analyst at Goldman, Sachs & Co. "I don't think any of us expected it to come this soon," said Mr. Buckley, referring to the payout increase.

"They are really superb figures and show BP's determination to get its cost-cutting measures through and make them stick," said Stephen Turner, an oil analyst at Nomura.

The company cut its dividend in half in August 1992 when a boardroom upheaval led to a drive to slash costs. BP said it planned to raise the dividend "progressively to more appropriate levels as further performance improvements are delivered."

The company's share surged from an opening price of 386 pence to reach a high of 410 pence. It closed at 399 pence.

"The results were strong right across the board," said Simon Flowers, an oil analyst at NatWest Markets. "The decision to increase the dividend shows just how confident the company now is about the future."

"These are excellent results, and they've managed to do it in a very nasty environment," said Gordon Gray, oil industry analyst at Salomon Brothers Inc., who rates BP shares a "buy."

BP said the rise in earnings came from a combination of cost-cutting measures, good downstream margins in the United States, lower interest charges and a return to profitability in its chemicals division.

"The operating numbers are good right across the board, and they cannot be attributed to a fluke in any one operating division," said Mr. Turner.

BP said that refining margins in the United States in the first quarter had been helped by improved economic activity and the unusually cold weather.

BP has slashed about \$1 billion in costs since 1992. About \$100 million of the profit in the current quarter was the result of lower costs, said BP Chief Executive David Simon.

He said that the company has been "playing catch-up" with other

## China Oil Market in Disorder

Reuters

SINGAPORE — China's growing demand for oil has forced at least one of its state oil firms to default on export sales to foreign traders, industry sources said Thursday.

"Domestic usage seems to be the top priority, and that is giving problems to exports," a Singapore trader said, adding that he has been unable to obtain gasoline and gasoline cargoes purchased earlier from China International United Petroleum & Chemicals Co.

Chaos in China's oil market also prompted the Shanghai Petroleum Exchange, the country's largest oil market, to suspend trading Thursday to curb market speculation that was sending prices higher.

The government also has begun banning imports of petroleum products. Certain imports will still be allowed until May 20, but only if special documents are presented, sources said. All imports will be banned from May 20 to at least July 1.

After July 1, the number of companies that can import crude oil or products will be severely reduced. By limiting the number of importers, Beijing hopes it can win back some control over the chaotic energy industry, traders said.

But the move sent speculators flocking to buy on the Shanghai market. Trading in petrol and diesel futures was halted Thursday just a few minutes after the market opened.

"We took this emergency measure because prices soared

See CHINA, Page 17

## Thinking Ahead / Commentary

### A Breath of Fresh Air From Japan

By Reginald Dale

International Herald Tribune

WASHINGTON — A young woman from Tokyo this week wrote notes written by the very same bureaucrats as her predecessors — and Mr. Hosokawa's successor, Tsutomu Hata, hardly looked like a reformer either.

Ms. Koike readily accepted it would be difficult for Japan's new generation of politicians to overpower the entrenched bureaucracy.

A founding member of former Prime Minister Morihiro Hosokawa's New Japan Party and a TV anchorwoman by profession, the 41-year-old Ms. Koike represents the younger generation which, she said, is on the way to blasting open the Japanese political and economic system.

She said Japan's political "Big Bang," which will totally rearrange the party landscape, is close at hand. "Changes in Japan historically take place as a result of external pressures. This is the very first change which comes from inside Japan," she said.

Whether or not Japan is actually changing is, of course, the fundamental question for U.S. policy. President Bill Clinton believes Japan will only change if it is bashed into submission by American trade pressure. Ms. Koike insists the change already under way are genuine and says the United States should leave well enough alone.

Ms. Koike stepped straight into the lion's den. She took her message to the Economic Strategy Institute, headed by Clyde V. Prestowitz, one of the most pugnacious advocates of toughness with Japan.

Mr. Prestowitz told her he had seen it all before — a young generation in the 1960s

promising the same reforms as Ms. Koike, and then an endless string of government leaders dodging fundamental change.

Mr. Hosokawa, he said, still had his speaking notes written by the very same bureaucrats as his predecessors — and Mr. Hosokawa's successor, Tsutomu Hata, hardly looked like a reformer either.

Ms. Koike readily accepted it would be difficult for Japan's new generation of politicians to overpower the entrenched bureaucracy.

A vice minister said Japan's political 'Big Bang' will rearrange the landscape.

She conceded that Mr. Hosokawa erred in not grasping the chance to reform the budget — still controlled by Finance Ministry officials — and fire a few top bureaucrats before his abrupt resignation.

Reform, she said, should contain three strands: easier public access to information, monopolized up to now by the bureaucrats; the recent law allowing individuals and companies to go to court against red tape; and a new parliamentary mechanism to supervise the bureaucracy.

Consumers should be taught the advantages of deregulation and should mobilize against the old system. But that won't be easy, either. As a member of Ms. Koike's audience pointed out, Japanese housewives recently demonstrated against rice imports when, as consumers, they should have been demonstrating in favor of them.

And, Ms. Koike complained, Japanese parliamentarians are hamstrung by lack of staff. As vice minister, she has a staff of five, only three of whom are paid by the taxpayer.

Ms. Koike said she traveled to the United States alone because it would have been too much trouble looking after her secretary, who doesn't speak English.

Such sad stories didn't move the hard-hearted Washingtonians, who don't believe Japan even wants to mend its ways. Where, they asked, are the signs of popular demand for change, where are the people demonstrating in the streets for economic reform?

The institute's Alan Tonelson told Ms. Koike he just didn't believe the Japanese public and the country's leaders thought their economic system was fundamentally wrong. Politicians were conveniently using the bureaucrats, and "political mechanisms," as a great excuse for inaction.

Too often the desire for political reform, which existed, was confused with a desire for economic reform, which did not. And, Mr. Tonelson added, the impetus for political reform was in any case little more than mounting embarrassment about corruption.

For 20 years, he said, U.S. policy had been based on the assumption that the Japanese consumer was being mercilessly exploited and a consumer revolt was just around the corner. But in fact the system had worked very well for the average Japanese.

After hearing Ms. Koike out, the skeptics still felt the burden of proof was on her. But, as she prepared to head back to Tokyo with her dwindling supply of business cards, they did at least admit that they hoped she was right.

## Euro Disney Pares Loss

Reuters

PARIS — Euro Disney SCA said late Thursday that its first-half operating loss narrowed to 1.05 billion French francs (\$187 million) in the period to March 31, from \$1.18 billion a year earlier, reflecting reduced expenses and low interest rates.

The theme park operator proposed to halve the par value of its shares to 5 francs. It also proposed to offer warrants to shareholders to purchase shares for 10 years at 40 francs. Its stock fell to 32.40 francs from 33.10 on the Bourse Thursday, but trading ended hours before the announcements.

Sales fell to 1.57 billion francs from 1.79 billion. The company said its net loss was 1.05 billion francs, down from 4.23 billion francs, with the difference from operating results linked to a change in accounting methods for cumulative start-up and preopening costs.

Euro Disney said 92 percent of its bank creditors agreed to back its restructuring plan and that it would call a general meeting soon to approve the program. The restructuring includes a 6 billion franc capital increase that would create new shares at about 10 francs each in a rights issue. Walt Disney Co., which owns 49 percent of Euro Disney, is to subscribe to all of the shares apportioned to it.

Euro Disney credited a 25 percent reduction in general and administrative expenses and reduced lease payments linked to low interest rates for its improved result in the latest six-month period.

The company said its proposed warrants were an addition to the restructuring plan, which was announced on March 14.

Measures included in the restructuring did not affect the latest results, but they are expected to be shown in the second half of the current financial year.

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## MARKET DIARY

Wall Street Listless  
Before Jobs Data

Compiled by Our Staff From Dispatches  
NEW YORK — Wall Street was listless on Thursday, with investors reluctant to take large positions before Friday, when the Labor Department will release employment data for April.

The Dow Jones industrial average closed down 1.78 points at 3,695.97.

## U.S. Stocks

On the New York Stock Exchange, gains in narrowly edged issues on light volume of around 250 million shares.

Securities investors also were on edge before the report, with the price of the benchmark 30-year Treasury bond steady at 87-00 and the yield steady at 7.33 percent.

If the employment report shows a lower unemployment rate or the creation of more jobs than economists expect, it could be interpreted as inflationary and drive stock and bond prices lower. It also could prompt the Federal Reserve Board to raise interest rates, as it has in the past.

The market is going to be on edge until the Fed shows its hand, said Steven Saslow, executive managing director at Carroll, McEneaney & McGinley.

Among active stocks, FPL Group, the parent of Florida Power & Light, fell 2 1/2 to 3 1/2 on concerns the company would not raise its

quarterly dividend at its board meeting Monday and that the trend would continue through 1995.

A downgrade from Merrill Lynch & Co. to hold from buy also hurt FPL stock.

Kmart was the most actively traded Big Board issue, slipping 1/4 to 15 1/2 after saying that sales in U.S. stores open at least a year slipped 3.2 percent in April.

By contrast, Sears, which said same-store sales rose 12.3 percent in April, jumped 1 1/4 to 48 1/4.

Southwest Airlines fell 1/4 to 28 1/2 on concern about potential difficulties with a new reservation system and the recent sale of stock by at least one major company investor. Analysts said there was some big-block trading of the stock Thursday.

Oil stocks were lifted by an increase in crude oil prices on the New York Mercantile Exchange. Crude for June delivery rose 4 1/2 cents a barrel to \$17.29. Texaco rose 1/4 to 63 1/4, and British Petroleum's American depositary receipts rose 1/4 to 71 1/2. BP also was lifted after reporting favorable first-quarter earnings.

Sapiens International plunged 3 1/4 to 4 1/4 after reporting a loss for the first quarter, compared with breaking even in the 1993 quarter. Analysts had expected the company to post a gain.

(Bloomberg, AP)

Dollar Stages a Rally  
As Banks Hug Sidelines

Bloomberg Business News

NEW YORK — The dollar rallied against the Deutsche mark and the yen on Thursday amid speculation that the world's central banks might meet again soon to support the U.S. currency.

The Federal Reserve and more than a dozen other central banks

## Foreign Exchange

bought dollars Wednesday to halt the currency's recent slump. There was no sign of central bank buying Thursday, traders said, but they cautioned that the banks might jump in again if the dollar resumes its slide.

The dollar rose Thursday to close at 1.6665 Deutsche marks, up from 1.6545 DM, and to 102.835 yen from 101.845 yen.

"Central bankers accomplished what they set out to do," said Kevin Lawrie, foreign-exchange manager at Mellon Bank in Pittsburgh. "The dollar is higher, at least for now."

"There has been a significant change in U.S. policy on the dollar," said Paul Farrell, manager of

strategic currency trading at Chase Manhattan Bank.

The dollar had fallen as much as 9 percent against the yen this year amid speculation that the Clinton administration wanted a strong yen in order to cut its trade deficit with Japan.

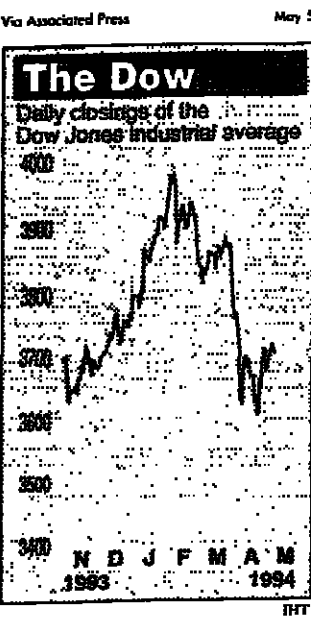
"The dollar's weakness against the yen was seeping into other exchange rates and other markets," Mr. Farrell said. That is why the White House backed off its tactic strong-yen policy, he said.

But many traders expected the dollar to resume its tumble, regardless of the central bank's efforts.

"They put a band-aid on the dollar," said Victor Polce, head of foreign-exchange marketing at Commerzbank.

Mr. Polce said that the dollar would resume its slide if U.S. stocks and bonds fell.

Against other currencies, the dollar closed Thursday at 1.4155 Swiss francs, little changed from 1.4160 francs on Wednesday, and at 5.6113 French francs, up from 5.6040 francs. The pound slipped to \$1.4985 from \$1.5020.



## NYSE Most Active

| Vol.     | High   | Low    | Last   | Chg.   |
|----------|--------|--------|--------|--------|
| K mart   | 48 1/4 | 47 1/4 | 48 1/4 | +1 1/4 |
| Walmart  | 31 1/2 | 30 1/2 | 31 1/2 | +1 1/4 |
| Wal-Mart | 31 1/2 | 30 1/2 | 31 1/2 | +1 1/4 |
| Wal-Mart | 31 1/2 | 30 1/2 | 31 1/2 | +1 1/4 |
| Wal-Mart | 31 1/2 | 30 1/2 | 31 1/2 | +1 1/4 |
| Wal-Mart | 31 1/2 | 30 1/2 | 31 1/2 | +1 1/4 |
| Wal-Mart | 31 1/2 | 30 1/2 | 31 1/2 | +1 1/4 |
| Wal-Mart | 31 1/2 | 30 1/2 | 31 1/2 | +1 1/4 |
| Wal-Mart | 31 1/2 | 30 1/2 | 31 1/2 | +1 1/4 |
| Wal-Mart | 31 1/2 | 30 1/2 | 31 1/2 | +1 1/4 |

## NASDAQ Most Active

| Vol.      | High   | Low    | Last   | Chg.   |
|-----------|--------|--------|--------|--------|
| Intel     | 58 1/4 | 57 1/4 | 58 1/4 | +1 1/4 |
| Microsoft | 34 1/2 | 33 1/2 | 34 1/2 | +1 1/4 |
| Oracle    | 31 1/2 | 30 1/2 | 31 1/2 | +1 1/4 |
| Novell    | 28 1/2 | 27 1/2 | 28 1/2 | +1 1/4 |
| Lotus     | 25 1/2 | 24 1/2 | 25 1/2 | +1 1/4 |
| Novell    | 28 1/2 | 27 1/2 | 28 1/2 | +1 1/4 |
| Novell    | 28 1/2 | 27 1/2 | 28 1/2 | +1 1/4 |
| Novell    | 28 1/2 | 27 1/2 | 28 1/2 | +1 1/4 |
| Novell    | 28 1/2 | 27 1/2 | 28 1/2 | +1 1/4 |
| Novell    | 28 1/2 | 27 1/2 | 28 1/2 | +1 1/4 |

## AMEX Most Active

| Vol.      | High    | Low    | Last    | Chg.   |
|-----------|---------|--------|---------|--------|
| Gold      | 100 1/2 | 99 1/2 | 100 1/2 | +1 1/4 |
| Silver    | 5 1/2   | 5 1/4  | 5 1/2   | +1 1/4 |
| Copper    | 3 1/2   | 3 1/4  | 3 1/2   | +1 1/4 |
| Platinum  | 1 1/2   | 1 1/4  | 1 1/2   | +1 1/4 |
| Palladium | 1 1/2   | 1 1/4  | 1 1/2   | +1 1/4 |
| Gold      | 100 1/2 | 99 1/2 | 100 1/2 | +1 1/4 |
| Silver    | 5 1/2   | 5 1/4  | 5 1/2   | +1 1/4 |
| Copper    | 3 1/2   | 3 1/4  | 3 1/2   | +1 1/4 |
| Platinum  | 1 1/2   | 1 1/4  | 1 1/2   | +1 1/4 |
| Palladium | 1 1/2   | 1 1/4  | 1 1/2   | +1 1/4 |

## Market Sales

|        | Today | Prev. |
|--------|-------|-------|
| NYSE   | 254.8 | 322.6 |
| AMEX   | 14.1  | 21.2  |
| NASDAQ | 23.7  | 21.2  |

## Dow Jones Averages

|         | Open    | High    | Low     | Last    | Chg.  |
|---------|---------|---------|---------|---------|-------|
| Index   | 3702.27 | 3713.33 | 3691.51 | 3695.97 | -1.78 |
| Indust. | 1402.47 | 1413.33 | 1401.51 | 1401.51 | -0.25 |
| Transp. | 181.24  | 182.33  | 181.24  | 181.24  | -0.21 |
| Com.    | 1312.75 | 1313.33 | 1312.75 | 1312.75 | -0.28 |

## Standard &amp; Poor's Indexes

|             | High   | Low    | Close  | Chg.  |
|-------------|--------|--------|--------|-------|
| Industrials | 527.55 | 526.55 | 527.55 | +0.54 |
| Utilities   | 158.55 | 157.55 | 158.55 | +0.54 |
| Health      | 158.55 | 157.55 | 158.55 | +0.54 |
| SP 500      | 412.55 | 411.55 | 412.55 | +0.54 |
| SP 100      | 412.55 | 411.55 | 412.55 | +0.54 |

## NYSE Indexes

|             | High   | Low    | Last   | Chg.  |
|-------------|--------|--------|--------|-------|
| Composite   | 212.55 | 211.55 | 212.55 | +0.54 |
| Industrials | 212.55 | 211.55 | 212.55 | +0.54 |
| Utilities   | 212.55 | 211.55 | 212.55 | +0.54 |
| Health      | 212.55 | 211.55 | 212.55 | +0.54 |
| NYSE        | 212.55 | 211.55 | 212.55 | +0.54 |

## NASDAQ Indexes

|             | High   | Low    | Last   | Chg.  |
|-------------|--------|--------|--------|-------|
| Composite   | 740.18 | 739.18 | 740.18 | +0.17 |
| Industrials | 740.18 | 739.18 | 740.18 | +0.17 |
| Utilities   | 740.18 | 739.18 | 740.18 | +0.17 |
| Health      | 740.18 | 739.18 | 740.18 | +0.17 |
| NASDAQ      | 740.18 | 739.18 | 740.18 | +0.17 |

## AMEX Stock Index

|             | High   | Low    | Last   | Chg.  |
|-------------|--------|--------|--------|-------|
| Composite   | 401.55 | 400.55 | 401.55 | +0.54 |
| Industrials | 401.55 | 400.55 | 401.55 | +0.54 |
| Utilities   | 401.55 | 400.55 | 401.55 | +0.54 |
| Health      | 401.55 | 400.55 | 401.55 | +0.54 |
| AMEX        | 401.55 | 400.55 | 401.55 | +0.54 |

## Dow Jones Bond Averages

|                | Close  | Chg.  |
|----------------|--------|-------|
| 20 Bonds       | 78.23  | +0.24 |
| 10 Industrials | 102.44 | +0.24 |

## NASDAQ Diary

|            | Close | Chg. |
|------------|-------|------|
| Advanced   | 1600  | 1608 |
| Declined   | 1800  | 1802 |
| Unchanged  | 1800  | 1802 |
| New Issues | 1800  | 1802 |
| New Lists  | 1800  | 1802 |

## Spot Commodities

|           | Today | Prev. |
|-----------|-------|-------|
| Aluminum  | 0.97  | 0.97  |
| Copper    | 0.97  | 0.97  |
| Gold      | 0.97  | 0.97  |
| Platinum  | 0.97  | 0.97  |
| Palladium | 0.97  | 0.97  |

## Market Closed

|        | Today | Prev. |
|--------|-------|-------|
| NYSE   | 254.8 | 322.6 |
| AMEX   | 14.1  | 21.2  |
| NASDAQ | 23.7  | 21.2  |

## The Tokyo stock market was closed Thursday for a holiday.

|        | Today | Prev. |
|--------|-------|-------|
| NYSE   | 254.8 | 322.6 |
| AMEX   | 14.1  | 21.2  |
| NASDAQ | 23.7  | 21.2  |

## Sao Paulo

|        | Today | Prev. |
|--------|-------|-------|
| NYSE   | 254.8 | 322.6 |
| AMEX   | 14.1  | 21.2  |
| NASDAQ | 23.7  | 21.2  |

## Singapore

|        | Today | Prev. |
|--------|-------|-------|
| NYSE   | 254.8 | 322.6 |
| AMEX   | 14.1  | 21.2  |
| NASDAQ | 23.7  | 21.2  |

## Milan

|        | Today | Prev. |
|--------|-------|-------|
| NYSE   | 254.8 | 322.6 |
| AMEX   | 14.1  | 21.2  |
| NASDAQ | 23.7  | 21.2  |

## Stockholm

|        | Today | Prev. |
|--------|-------|-------|
| NYSE   | 254.8 | 322.6 |
| AMEX   | 14.1  | 21.2  |
| NASDAQ | 23.7  | 21.2  |

## EUROPEAN FUTURES

|                       | High   | Low    | Last   | Chg.  |
|-----------------------|--------|--------|--------|-------|
| ALUMINUM (High Grade) | 150.50 | 149.50 | 150.50 | +0.50 |
| COPPER (High Grade)   | 150.50 | 149.50 | 150.50 | +0.50 |
| Gold                  | 150.50 | 149.50 | 150.50 | +0.50 |
| Platinum              | 150.50 | 149.50 | 150.50 | +0.50 |
| Palladium             | 150.50 | 149.50 | 150.50 | +0.50 |

## Metals

|                       | High   | Low    | Last   | Chg.  |
|-----------------------|--------|--------|--------|-------|
| ALUMINUM (High Grade) | 150.50 | 149.50 | 150.50 | +0.50 |
| COPPER (High Grade)   | 150.50 | 149.50 | 150.50 | +0.50 |
| Gold                  | 150.50 | 149.50 | 150.50 | +0.50 |
| Platinum              | 150.50 | 149.50 | 150.50 | +0.50 |
| Palladium             | 150.50 | 149.50 | 150.50 | +0.50 |

## Financial

|                           | High | Low  | Last | Chg.  |
|---------------------------|------|------|------|-------|
| 3-MONTH STERLING (LIBOR)  | 4.50 | 4.45 | 4.50 | +0.05 |
| 6-MONTH STERLING (LIBOR)  | 4.50 | 4.45 | 4.50 | +0.05 |
| 9-MONTH STERLING (LIBOR)  | 4.50 | 4.45 | 4.50 | +0.05 |
| 12-MONTH STERLING (LIBOR) | 4.50 | 4.45 | 4.50 | +0.05 |
| 3-MONTH EURO (LIBOR)      | 4.50 | 4.45 | 4.50 | +0.05 |

## 3-MONTH STERLING (LIBOR)

|                           | High | Low  | Last | Chg.  |
|---------------------------|------|------|------|-------|
| 3-MONTH STERLING (LIBOR)  | 4.50 | 4.45 | 4.50 | +0.05 |
| 6-MONTH STERLING (LIBOR)  | 4.50 | 4.45 | 4.50 | +0.05 |
| 9-MONTH STERLING (LIBOR)  | 4.50 | 4.45 | 4.50 | +0.05 |
| 12-MONTH STERLING (LIBOR) | 4.50 | 4.45 | 4.50 | +0.05 |
| 3-MONTH EURO (LIBOR)      | 4.50 | 4.45 | 4.50 | +0.05 |

## 3-MONTH EURO (LIBOR)

|                          | High | Low  | Last | Chg.  |
|--------------------------|------|------|------|-------|
| 3-MONTH EURO (LIBOR)     | 4.50 | 4.45 | 4.50 | +0.05 |
| 6-MONTH EURO (LIBOR)     | 4.50 | 4.45 | 4.50 | +0.05 |
| 9-MONTH EURO (LIBOR)     | 4.50 | 4.45 | 4.50 | +0.05 |
| 12-MONTH EURO (LIBOR)    | 4.50 | 4.45 | 4.50 | +0.05 |
| 3-MONTH JAPANESE (LIBOR) | 4.50 | 4.45 | 4.50 | +0.05 |

## 3-MONTH JAPANESE (LIBOR)

|                           | High | Low  | Last | Chg.  |
|---------------------------|------|------|------|-------|
| 3-MONTH JAPANESE (LIBOR)  | 4.50 | 4.45 | 4.50 | +0.05 |
| 6-MONTH JAPANESE (LIBOR)  | 4.50 | 4.45 | 4.50 | +0.05 |
| 9-MONTH JAPANESE (LIBOR)  | 4.50 | 4.45 | 4.50 | +0.05 |
| 12-MONTH JAPANESE (LIBOR) | 4.50 | 4.45 | 4.50 | +0.05 |
| 3-MONTH SWISS (LIBOR)     | 4.50 | 4.45 | 4.50 | +0.05 |

## Industrials

|                       | High   | Low    | Last   | Chg.  |
|-----------------------|--------|--------|--------|-------|
| ALUMINUM (High Grade) | 150.50 | 149.50 | 150.50 | +0.50 |
| COPPER (High Grade)   | 150.50 | 149.50 | 150.50 | +0.50 |
| Gold                  | 150.50 | 149.50 | 150.50 | +0.50 |
| Platinum              | 150.50 | 149.50 | 150.50 | +0.50 |
| Palladium             | 150.50 | 149.50 | 150.50 | +0.50 |

## U.S. FUTURES

|                 | High | Low  | Last | Chg.  |
|-----------------|------|------|------|-------|
| WHEAT (CBOT)    | 1.50 | 1.45 | 1.50 | +0.05 |
| CORN (CBOT)     | 1.50 | 1.45 | 1.50 | +0.05 |
| SOYBEANS (CBOT) | 1.50 | 1.45 | 1.50 | +0.05 |
| WHEAT (CBOT)    | 1.50 | 1.45 | 1.50 | +0.05 |
| CORN (CBOT)     | 1.50 | 1.45 | 1.50 | +0.05 |

## Grains

|                 | High | Low  | Last | Chg.  |
|-----------------|------|------|------|-------|
| WHEAT (CBOT)    | 1.50 | 1.45 | 1.50 | +0.05 |
| CORN (CBOT)     | 1.50 | 1.45 | 1.50 | +0.05 |
| SOYBEANS (CBOT) | 1.50 | 1.45 | 1.50 | +0.05 |
| WHEAT (CBOT)    | 1.50 | 1.45 | 1.50 | +0.05 |
| CORN (CBOT)     | 1.50 | 1.45 | 1.50 | +0.05 |

## Livestock

|               | High | Low  | Last | Chg.  |
|---------------|------|------|------|-------|
| CATTLE (CBOT) | 1.50 | 1.45 | 1.50 | +0.05 |
| PIGS (CBOT)   | 1.50 | 1.45 | 1.50 | +0.05 |
| CATTLE (CBOT) | 1.50 | 1.45 | 1.50 | +0.05 |
| PIGS (CBOT)   | 1.50 | 1.45 | 1.50 | +0.05 |
| CATTLE (CBOT) | 1.50 | 1.45 | 1.50 | +0.05 |

## Metals

| WED'S OPEN INT. 57.6250             |              | 40 SHIP |       | Bys. - dtds per 100 |       |
|-------------------------------------|--------------|---------|-------|---------------------|-------|
| SOYBEAN OIL (C&ST)                  |              |         |       |                     |       |
| 30.65                               | 21.30 May 94 | 28.60   | 28.60 | 28.12               | 21.30 |
| 29.70                               | 21.55 Aug 94 | 28.52   | 28.52 | 28.00               | 29.70 |
| 29.20                               | 21.55 Aug 94 | 28.18   | 28.18 | 27.70               | 29.20 |
| 28.40                               | 22.00 Sep 94 | 27.50   | 27.50 | 27.10               | 28.40 |
| 27.60                               | 22.10 Oct 94 | 26.65   | 26.65 | 26.15               | 27.60 |
| 27.05                               | 0.90 Dec 94  | 25.80   | 25.80 | 25.40               | 27.05 |
| 26.85                               | 22.65 Nov 94 | 25.30   | 25.30 | 25.28               | 26.85 |
| 26.60                               | 22.65 Nov 94 | 25.30   | 25.30 | 25.30               | 26.60 |
| 26.60                               | 24.65 May 95 | 25.00   | 25.00 | 24.90               | 26.60 |
| 26.60                               | 24.65 Jul 95 | 24.90   | 24.90 | 24.80               | 26.60 |
| Est. sales 17,000 Wed's sales 13,9% |              |         |       |                     |       |
| Wed's open int 57.641 up 974        |              |         |       |                     |       |

## Livestock

| CATTLE (C&M) |              | 40,000 Bys. - cents per lb |       |
|--------------|--------------|----------------------------|-------|
| 25.77        | 12.80 Jul 94 | 26.32                      | 26.32 |



## Investor's Europe



**Thursday's 4 p.m.**  
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

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|     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |    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  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |  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    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     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 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
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# AMEX

**Thursday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

| 12 Month       |             | Div |     | Yld PE |  | 52w   |       | High Low Last Chg |       |
|----------------|-------------|-----|-----|--------|--|-------|-------|-------------------|-------|
| High Low Stock |             |     |     |        |  |       |       |                   |       |
| 974            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 975            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 976            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 977            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 978            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 979            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 980            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 981            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 982            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 983            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 984            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 985            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 986            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 987            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 988            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 989            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 990            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 991            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 992            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 993            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 994            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 995            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 996            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 997            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 998            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 999            | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |
| 1000           | B&W AIMA SR | 42  | 4.9 |        |  | 8 1/2 | 8 1/2 | 8 1/2             | 8 1/2 |

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

**Money** — Exports from Australia and Asia could be hurt by a reduction in Mexico's oil production to meet the needs of the recently signed North American Free Trade Agreement, a Canadian government report said Thursday.

It was noted that NAFTA could encourage the proliferation of discriminatory trade agreements. It is a division of the world into trading blocs to the detriment of a universal trading system.

It was said NAFTA could also encourage protectionist effects in such areas as intellectual property rights and

regulation of distribution of established trademarks.

The report, however, said that the formation of a Free Trade is an advantage for Australia.

The report said that the United States came into effect.

Among other things, it states that it is worse for Australia than for Australia.

While it says that the formation of NAFTA was a benefit for Australia.

the market opened, an export of heavy metal, petrol, (RMB) a metric ton, up 22 percent Wednesday, and diesel oil rose 18 percent to 17,110 yuan a ton.

Imported solid China urgently needed to boost its domestic industrial base is eagerly to expand its new power, Distribution has been chosen in the wake of the first completion of China's oil pipeline—one of the world's largest—last year.

China's oil, the north and the south, and the two fast-growing regions are far to the west.

China's sea rail road, port and air routes are strained to the limit. Foreign buyers have been forced to import crude oil by sea to keep up with explosive demand.

Foreign demand growth has been quickly depicted the country's meagre inventory. But many of them, fierce competition for their own products, were reluctant to increase their high production.

The new import regulated oil, only two state-owned oil companies—China National Petroleum Import-Export Corp., and a Canadian Unit

After July 1, days that need pass their respective companies to be allowed to import crude oil in China to substitute for the state firm's oil production to a state oil bar the latest ban

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## هكذا عن الأصل



## Profit Surges 17% For News Corp., But Shares Fall 3%

**Compiled by Our Staff From Dispatches**  
SYDNEY — News Corp. said Thursday its profit rose 17 percent in the third quarter, but the results disappointed shareholders, who sent the stock down 3 percent.

Rupert Murdoch's media conglomerate earned a net 222.7 million Australian dollars (\$158 million) in the quarter on sales of 2.59 billion dollars. Revenue slipped from 2.64 billion dollars in the comparable year-ago period.

For the nine-month period, News Corp. net profit jumped 54 percent to 991.6 million dollars on revenue of 8.4 billion.

News Corp. said its net gain reflected healthy results from its film and television operations and improved earnings from associated companies.

## Tax Option Kept Open In Australia

**Bloomberg Business News**  
CANBERRA — Prime Minister Paul Keating refused to rule out tax increases to fund a 6.5 billion Australian dollar (US\$4.6 billion) stimulus package to boost exports and job growth.

"I am not in the business of giving guarantees," Mr. Keating told Australia's National Press Club on Thursday, referring to speculation about whether he would seek a tax increase.

Mr. Keating also reiterated the government's intention to step up the sale of assets, a plan seen as a move to help fund the economic package.

But the government won't disclose full details of how it intends to fund the programs outlined in the "white paper," or economic policy document, until Tuesday, when Australia's national budget for the fiscal year beginning July 1 will be presented.

Meanwhile, Australian stock and bond prices sank on investor concern about how the government will finance the package, which is designed to cut the nation's jobless rate from 10.5 percent to 5 percent by the end of the decade.

Bond yields, which rose as prices fell, surged Wednesday after Mr. Keating first announced the plan. The yield on the 10-year benchmark Australian government bond rose slightly again Thursday to 8.80 percent, up from 8.75 yesterday.

Early in the day, the yield rose as high as 8.95 percent, but it dropped back after the Reserve Bank of Australia intervened, analysts said.

## Free Enterprise Revives Subic Bay

By Karl Schoenberger  
Los Angeles Times Service

SUBIC BAY, Philippines — The big warships don't dock here anymore. The F-18 Hornet fighters no longer roar overhead. The bar girls have drifted elsewhere, and about 40,000 civilian jobs are gone, lost to a fit of Philippine national pride that kicked the U.S. Navy out of here two years ago.

But now, in the eerie ghost town atmosphere of what used to be the U.S. Navy's largest overseas base, something rather remarkable is happening: free enterprise.

Businesses are starting to blossom inside the gray military buildings that line the gloomy wharves, one of them making Reebok shoes. Federal Express is planning to use the Navy airstrip. Tourists are lounging in a casino hotel converted from a barracks and playing golf on fairways salvaged from the ash fallout of Mount Pinatubo.

Subic Bay, not long ago a Cold War relic symbolizing America's decline in the Pacific, is being transformed into a free-zone port. Backed by foreign investment and an army of "people power" volunteers, Subic is an experiment in economic development that embodies the new optimism rising in the Philippines, the so-called Sick Man of Asia.

Decades of economic malaise — compounded by legendary corruption, political turmoil and a chain of natural disasters — left the Philippines lagging far behind its successful neighbors. But people say things are different now, at last.

The viceroy Ferdinand E. Marcos is dead. And the days of periodic coup attempts against the housewife-turned-President Corason C. Aquino have been replaced by humdrum stability since President Fidel V. Ramos — the general who rebelled against Mr.

Marcos and quashed the insurrections against Mrs. Aquino — took office in June 1992.

The Philippine economy grew 2.3 percent last year, and this year analysts predict gross national product will rise in real terms by more than 4 percent. That performance pales in comparison to the double-digit pace of some East Asian export dynamos. But it's not a bad start.

"I think the numbers are starting to be good for us," Mr. Ramos said in an interview at Malacanang, the presidential palace in Manila. "The conditions for takeoff are in place."

If the economy does take flight, the Subic Bay Freeport Zone is the kind of launch pad that will provide some of the thrust.

It's one of 18 designated areas — including Clark Field, the former U.S. air base — where the government is trying to woo international investment with tax incentives and aggressive publicity. The strategy is to mimic the pattern of rapid industrialization that made "tigers" and "dragons" out of its Southeast Asian neighbors.

This is the best-kept secret in Asia, said Thomas Leber, president of the American Chamber of Commerce in Manila. He maintains there isn't a scent of genuine anti-Americanism in the Philippines today, despite the base explosion.

Richard J. Gordon is the cheerful chairman of the Subic Bay Metropolitan Authority, the government agency that runs the free-port zone.

During Mr. Gordon's reign as mayor of Olongapo, a city that thrived outside Subic's gates, he was an early proponent of gradual U.S. withdrawal and conversion of the base into a special economic zone.

The fact that Mr. Gordon now sits in the executive office once occupied by Rear Admiral Thomas A. Merton — the last U.S. commander at Subic — is one of those ironic twists of history. His grandfather, John J. Gordon, waded ashore at Subic Bay with the New York regiment in 1898, the story goes, and later mastered out of the U.S. Army to marry a Filipina and settle nearby.

Mr. Gordon's father served as the first elected mayor of Olongapo until he was assassinated. Mr. Gordon's mother was elected to succeed him. Richard, a practicing lawyer, later took up the civic mantle.

The Philippine Senate, fueled by nationalistic sentiment, voted in 1991 to oust the U.S. military. Mr. Gordon pounced on the opportunity to exploit the billions of dollars in inherited military infrastructure, using all the hoopla and machinery of a political campaign.

By the autumn of 1992, Mr. Gordon had organized laid-off base workers into a skilled force of volunteers. They stepped in to maintain security in the confusion of the American withdrawal that October and November, which itself came in the wake of the catastrophic eruption of Mount Pinatubo.

While the facilities at Clark air base were heavily damaged by volcanic ash and then trashed by looters, Subic emerged virtually unscathed. Volunteers hauled away tons of ash that blanketed the golf course, kept the lawns trimmed and protected 1,576 units of family housing from scavengers.

"If Subic sparks a fire here, we'll be a model that changes the nation's attitudes about discipline and work ethic," Mr. Gordon said. "This will give the Filipino confidence. Subic will grow and become the magnet for the Philippines. You watch."

## Manila Market Slides as Phone Company Profit Falls

Compiled by Our Staff From Dispatches

MANILA — Philippine Long Distance Telephone Co., the country's largest telecommunications firm, said Thursday that profit fell 13 percent to 912.3 million pesos (\$33.6 million) in the first quarter because of higher capital expenses.

Revenue rose 10 percent, to 4.78 billion pesos from 4.34 billion pesos a year earlier, as earnings from local calls climbed 33 percent to 1.35 billion pesos.

Analysts said the drop in profit

had been caused primarily by higher operating expenses connected to the company's campaign to wipe out a backlog of 700,000 applications for telephone lines. The campaign, which began in April 1993, has resulted in an increase of 201,444 lines, to 1.5 million.

Philippine Long Distance's stock fell 3.5 percent to close at 1,925 pesos in Manila, while the Philippine Stock Exchange slid 2.8 percent to close at 2,980.

After yesterday's 4.3 percent

index rise, analysts said that Thursday's fall was a necessary breather. "This is healthy," said Mike Jacob, an analyst with Sun Hung Kai Securities.

Philippine Long Distance also said call volume had increased, which analysts said was a harbinger of strong growth. The company still controls 94 percent of the country's telephone lines. "Many foreigners think PLDT remains the best buy in Manila," said Louie Bate, an analyst with Baring Securities.

Philippine National Bank, the country's largest and most profitable financial institution, also fell back after soaring 14 percent on Tuesday. PNB fell 5.3 percent to close at 540 pesos.

(Reuters, Bloomberg, AFP)

## Auction of Steel Co. Fails

The auction of National Steel Corp., the Philippines' largest mill, was declared a failure by the Philippine government on Thursday because bids were well below the 10 billion peso price target, Agence France-Press reported.

## Gumshoe Catalogs Are a Hit in Japan

The Associated Press

TOKYO — Michiko Mizutani, a marketing consultant who should know a bargain when she sees it, has decided that L.L. Bean Inc. is a good place to find one. She got her plaid shirt, gumshoes and monogrammed canvas tote bag from that venerable American retailer of clothing and outdoor goods.

Miss Mizutani, 27, is one of a growing number of Japanese who have turned to mail-order catalogs, such as those circulated by L.L. Bean, to help stretch their yen during the country's worst economic slump since World War II.

Glassware, computers, kitchen appliances, clothing, furniture — foreign mail-order companies offer almost everything at a cost that, even with shipping charges, is often

around half the price found in Japanese stores.

Japanese shoppers pore over the glossy, full-color pages with the same enthusiasm that American frontier families had for their Montgomery Ward and Sears, Roebuck catalogs.

"Reasonably priced but sophisticated furniture is just not available in Japan," said Mitsumasa Hanashima, a corporate consultant planning to order from IKEA, a Swedish company. "I'd rather spend money on something I can really appreciate."

Catalog sales make only a tiny dent in Japan's worldwide trade surplus of more than \$130 billion a year, but mail-order companies say that Japanese consumers are increasingly buying from the bulky books.

With the Japanese currency strong on foreign-exchange markets, yen go a lot further abroad than at home, where a convoluted retail system swarming with middlemen drives prices up.

Joichi Ito, president of the Japanese subsidiary of Macys, a U.S. distributor of Macintosh-compatible software, said the company used mail order to skirt the cumbersome retail network.

Discount stores in Japan have brought lower prices for some products, such as simple electronics, snack foods and casual clothing, but foreign mail order seems to hold an irresistible cachet for status seekers as well as the cost-conscious.

On a given day, Japanese clad head-to-toe in sportswear and accessories from L.L. Bean, Eddie Bauer and Patagonia may outnumber those wearing domestically made clothing. L.L. Bean, among the first foreign companies to tap Japan's mail-order market, says its international sales increased 73 percent last year, to about \$100 million. The company, based in Freeport, Maine, has opened two retail stores in Tokyo to help popularize its products.

Some people still have difficulty ordering in a foreign language and dealing with overseas deliveries, but Japanese-language catalogs and order forms, along with maga-

zine articles explaining how to do it, have eased the task.

"If you know the tricks, it's surprisingly easy," said an article in Hotdog, a magazine read by young Japanese men. "Not only can you purchase items unavailable in Japan, you can learn from catalogs how to coordinate fashions."

The Japanese government's Manufactured Imports Promotion Organization is touting foreign catalogs as part of a campaign to increase imports and reduce the trade surplus. Its library of 1,500 catalogs from 20 countries attracted 24,000 Japanese in 1993, more than double the 9,400 who visited in 1992.

Sumio Masuda, an industrial worker who took notes while browsing at the library, said he was considering several items, including anti-slip sole covers from The Safety Zone that cost \$19.95.

"This takes lots of time and effort, but it's challenging, which is part of the joy of mail-order shopping," he said. "The biggest advantage is the prices."

Miss Mizutani, who shows off her Bean wear at the office on casual-Friday days, has even converted her parents. "My mother first thought it was a store specializing in extra-large sizes because of the name L.L.," she said. "But she's a big fan now."

## Australia Says NAFTA Could Hurt Asian Exports

Agence France-Press

SYDNEY — Exports from Australia and Asia could be hurt by a shift of production to Mexico in the wake of the recently signed North American Free Trade Agreement, an Australian government report said Thursday.

It also warned that NAFTA could encourage the proliferation of discriminatory trade agreements or the division of the world into trading blocs to the detriment of the multilateral trading system.

But it said NAFTA could also have beneficial effects in such areas as intellectual property rights and

resolution of disputes, which would establish important precedents for other trade agreements.

The report, prepared by the Department of Foreign Affairs and Trade, is an analysis of the implications for Australia of the NAFTA trade pact linking Canada, the United States and Mexico, which came into effect last week.

Among other conclusions, it indicates that the implications are worse for some Asian countries than for Australia.

While it found the direct impact of NAFTA was unlikely to be severe for Australia, it found that

some exports, such as coal and car components used by some Asian countries in manufacturing their exports to North America, could be the worst affected.

The report added, "It is possible that companies will shift at least part of their production from Asian countries to Mexico in order to be a competitive supplier to the U.S. market."

Alternatively, companies trading out of Asia could find themselves replaced as suppliers to the North American market by others established within NAFTA.

Such adjustments were most

likely for textiles, clothing and motor vehicle industries, as NAFTA's provisions were more restrictive than those that applied previously, the report said.

Departmental experts say the Australian exports most likely to be hit were commodities such as coking coal, iron ore and other ores used in the manufacture of steel and coal used for electricity generation.

Wool and components of larger products such as motor vehicle parts which are now a significant Australian export would also be affected, the report says.

## CHINA: Government Moves to Rein In Oil Market

Continued from Page 13

abnormality on speculation," an exchange official said.

When the market opened, petrol for June delivery jumped to 2,491 yuan (\$287) a metric ton, up 22 yuan from Wednesday, and diesel yuan from Wednesday, and diesel for the same delivery period rose 18 yuan to 2,128 yuan a ton.

Sources said China urgently needed to reduce its domestic inventories as it struggled to revamp its overtaxed domestic product distribution network. Distribution has grown chaotic in the wake of the rapid deregulation of China's oil industry — one of the world's largest — since late 1992.

Most of China's oilfields and refineries are in the north, but the fastest-growing regions are far to the south.

With Chinese rail, road, port and pipeline systems strained to the limit, many southern buyers have been forced to import crude and products to keep up with explosive oil demand.

Double-digit demand growth should have quickly depleted the high domestic inventory. But many refiners, facing fierce competition from cheap imports, were reluctant to sell their own products at market prices because of their high production costs.

Under the new import regulations, only three state-owned oil companies — China National Chemicals Import-Export Corp., China International United Petroleum & Chemicals Co. and China Oil — will be able to import crude

oil after July 1. Any other companies that need crude oil will have to pass their requirement to these companies to be filled.

Sinochem and Unipac will also be the only companies after July 1 allowed to import refined products.

Foreign companies that process crude oil in Chinese refineries will have to submit nominations to the trio of state firms. Third-party processors will have to sell all of their production to export markets.

A state oil company source said the latest ban applied to petrol,

gasoil and crude-oil imports, but other refined products, such as naphtha and fuel oil, would not be affected.

Traders said they were skeptical that China would stop importing petroleum products altogether.

"With China, the official party line can be a 'ban,' but it is possible that those companies with special reasons can be allowed to import on a case-by-case basis," a trader with a processing commitment in China said.

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The dividends will be paid on 6 May 1994 to shareholders on record on 29 April 1994 against remittance of coupon N° 7. The ex-dividend date will be 29 April 1994.

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**Investor's Asia**

Source: Reuters, AFP

## Very briefly:

- Vietnam has reached an agreement to sell 300,000 tons of rice annually to Iran in a bid to buoy its struggling rice exporters.
- Motorola Corp. said it planned to increase the number of pagers it makes in China by more than half this year to meet booming local demand. The company has supplied a third of the 10 million pagers now in use in China.
- Honda Motor Co. said it would export a total of 1,000 Civic models made in Canada to Taiwan and Brazil annually, the Japanese daily Nihon Keizai Shimbun said.
- MIM Holdings Ltd. said it planned to sell stakes in three undeveloped coal deposits in Australia.
- The Asia-Pacific Economic Cooperation forum, a grouping of Pacific business leaders, recommended that the United States renew China's most-favored-nation status.
- The Philippines' National Statistics Institute said inflation in the country rose slightly to 9.8 percent in the year ended in April from 9.7 percent for the year ended in March.
- Formosa Plastics Group, one of Taiwan's largest industrial companies, has received permission from the country's authorities to raise \$1.05 billion through an issue of bonds to be sold abroad.
- Pakistan has banned the export of sugar to prevent depletion of its stocks. Exports rose rapidly following a rise in international prices in the wake of crop failures in major sugar-producing countries.

## India Bank Workers Go on Strike

Agence France-Press

BOMBAY — Banking activity broke down Thursday across India as more than 250,000 employees of state-owned banks went on strike to support demands for extra pay with the introduction of computerization. The All-India Bank Officers' Confederation, which organized the one-day shutdown, said in a statement that workers wanted pay rises to make up for an additional workload brought about by computerization, plus increased medical benefits.

G.S. Dahotre, deputy chairman of the Indian Banks Association, said that "this is not the proper time" for a strike and that it would cause tremendous losses to the country. The last nationwide bank strike was April 8, and another is scheduled for Wednesday.

## Telecom Corp. Share Price Drops 6.3% in New Zealand

Bloomberg Business News

WELLINGTON — Shares of Telecom Corp. of New Zealand dived as much as 6.3 percent Thursday, helping drag the New Zealand Top 40 index more than 3 percent lower.

Telecom, which is 49.5 percent-owned by two U.S. phone companies, Bell Atlantic and Ameritech, will announce its annual financial results on Friday.

Analysts expect an annual net profit of about 530 million New Zealand dollars (\$304 million), a fivefold increase over a year ago. They were at a loss to explain the fall in share prices.

"We're not going to have any surprises on the earnings front," said Kevin Bennett, an analyst at Doyle Paterson Brown, a brokerage. "The company reports on a quarterly basis and it's also a very good communicator."

Derek Wickenden, a broker at Cavill White Securities, said, "I don't know of any particular reason why, but Telecom has fallen in the U.S. for the last five days in a row."

For the nine months ended Dec. 31, Telecom's profit was up 15.3 percent at 386 million dollars.

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**Herald Tribune**



## ADVERTISING SECTION

**Poland, where East meets West today in an economic summit, is a place of economic growth, shops with loaded shelves and a (mostly) lively stock exchange. Behind the exhilarating opportunities, however, there are still some shadows.**

## ECONOMIC U-TURN SETS THE STAGE FOR A BOOM

**P**oland appears poised to play a more significant role in the development of post-communist Europe than seemed possible even two years ago.

This is due to a combination of economic success and political stability. In the context of the unexpected setbacks in other former Soviet satellites.

Westerners had assumed that it would be relatively easy to restore democracy in the countries of Central and Eastern Europe, but they were braced for the worst in contemplating the economic changes that would be required to wrench the region from the stagnant but "safe" world of Soviet subsidies and central planning to the perils and promises of a Western capitalist country.

The opposite appears to be the case, at least for Poland. The economy seems to be expanding almost on automatic pilot. The "Polish shock" changes of 1990 laid the groundwork for the U-turn in policies that enabled Poland to be the first former Soviet-satellite country to emerge from the industrial slump of 1990-91 with an economic growth rate of 4 percent in 1993 — the highest in Europe.

The previously starved service sector has taken off. There is a consumer boom that surpasses any predictions and also makes a mockery of the official in-

come statistics. Consumer imports from the European Union jumped from 7.7 percent in 1988 to 15.3 percent in 1992, with overall imports rising to 29 percent, while exports were only 8.1 percent. The proliferation of new stores continues at a fast pace. And there are buyers, providing markets not just for Western imports but also for the Polish producers who are finding their footing in the market.

The economic boom is messy and is unevenly felt. The tax system, with some

**Growth rate reaches 4 percent**

of the highest rates in Europe (49 percent payroll taxes for employers and 40 percent rates for individuals), has caused a tax revolt that is spurring innovative "consultative" structures in the workplace. That worsens the troubled national budgetary picture, especially with the still-formidable load of social safety-net health and pension costs.

The recent London Club debt settlement should be a big spur to construction projects, many of which have been curbed by a lack of Western bank backing. Jan Jakobsche, director of the Warsaw City Council's development office, says, "We have three or four projects ready to go."

Balancing that step forward is concern about the new wave of strikes. "All these factors matter," Mr. Jakobsche says. "People who know Poland and have been here for some time operate without any attention to the internal factors like strikes, but for the newcomers they could create fear."

The economy may be on an amazingly steady upward trajectory, but individual apprehensions about what lies ahead have contributed to a political turbulence that continues unabated. The reasons are partly the impact of those same "shock" policies that are cause for celebration for economic analysts, and partly the disintegration of the worker-elite Solidarity coalitions that had been backed by half the society in the 1980s.

The Western assumptions that it would be easy to restore civil society and to encourage the creation of "self-interest" groups that had been prohibited under state socialism have proven to be off base.

Society remains politically atomized, with few of the national political parties having any local bases outside of a handful of major cities.

Ironically, while most political, union and media attention is focused on the dramatic strikes of coal miners protesting potential cutbacks under restructuring plans or farmers blocking trucks car-



The new and the old (top, left to right): Warsaw's first McDonald's, with the Soviet-donated Palace of Culture in the background; Copernicus (1473-1543), Polish founder of modern astronomy, is honored on banknotes; telecommunications are being brought into the 20th century; (bottom) a statue of King Sigismund, who made Warsaw his capital in the 16th century, separates the symbols of modern Warsaw, the businessman on the phone and stock-exchange dealers trading privatization shares.

rying Western imports, jobs are being created by the millions in the booming service and retail sectors, as well as in many greenfield manufacturing plants.

In many heavy industries, workers who oppose privatization are outvoted by those who want outside investment, technology, management — and the higher wages that may go with them. This was the case at the Szczecin shipyard, which has just completed the first stage of the privatization that began in 1991. Ships are now be-

ing turned out every five months, compared with every 15 months under the past regime, with wages almost triple the national average, at above 9 million zlotys (about \$4,000) a month.

With a highly educated population of 38.5 million (many have advanced degrees, but there is also a rich mix of factory-floor engineering and mechanical skills), Poland's homogeneity is now counted as a major stabilizing factor.

The Poles emerged from state socialism with a so-

phisticated industrial base, especially in heavy industry and defense-related fields, but also with a vast array of factories producing low-tech and often low-quality goods for monopoly markets.

There was a dire neglect of even basic repairs to the industrial infrastructure; the imperative had been to produce, with little money used for technological improvements. When Thomson Polkolor bought controlling shares in a suburban Warsaw color-television tube-manufacturing plant built in

the 1970s, it had to replace thousands of meters of glass and pipes. But the work force had high skills and a high incentive to get on with the job. At Thomson Polkolor, production in the first full year of operation surpassed the output of the entire previous history of the plant.

When the Swiss-Swedish power-engineering group Asea Brown Boveri Ltd. (ABB) made its first joint-venture forays in Poland in 1990, it brought in Swiss engineers to consult with

workers and managers on introducing steam and gas-turbine technology, as well as on more generic quality control and plant-management issues. Three years later, the Polish workers, now teaching the Russians at a new ABB facility near St. Petersburg.

ABB's director in Poland, David Hunter, says that Polish workers can be "as productive as any in the world." The products of ABB's 12 Polish plants are being sold in the United States, Finland, Crete and elsewhere.

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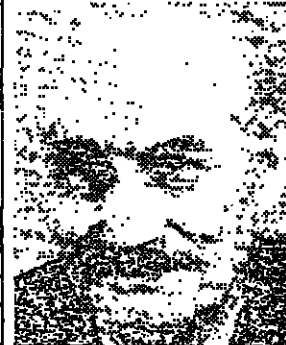
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## WARSAW - A MEETING PLACE BETWEEN EAST AND WEST



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It is with great pleasure that I invite you to Warsaw, a city poised on the threshold of enormous opportunity. Warsaw, the capital of one of the first countries in this part of the world to enter onto the road of democracy and a free-market economy after many years, has everything necessary to become an important international center. The traditions of our city support such ambitions. The basis for an important international center — a place for culture, science, and commerce — must be a fully functional large city, a European metropolis. While this functional aspect is not always apparent, progress has been made. The degree to which Warsaw has changed for the better is best seen by those who were here long ago. Color, life, a new spirit and youthfulness, vibrancy — this is how foreigners and expatriates see the city.

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Wishing you a pleasant stay in Warsaw, please accept my wholehearted invitation.

Dr. Stanislaw Wypasnowski  
The Mayor of Warsaw

### WARSAW REAL ESTATE MARKET

The commercial property market in Warsaw was brought back to life by the economic and political changes that occurred in Poland at the end of 1989. It has seen rapid retail growth over the last two years, which has left the top rents at incredibly high levels, easily competitive with those of the Parisian Golden Triangle and the City of London.

Since 1990, the demand for office space in Warsaw has not ceased to increase. The yearly take-up rate has boomed from about 10,000 square meters per year in 1989 to 80,000 - 120,000 sq.m. in 1994, and is likely to increase beyond over this figure. With the limited supply of office space and especially of "top specification" premises (at the end of 1992 amounting to about 280,000 sq.m.), the long-term demand is far from being satisfied. Notwithstanding the recent increase in "top specification" office space on the market (from 160,000 sq.m. in 1989 to 280,000 sq.m. at the end of 1992), top prices have stabilized at high levels of \$45 to \$55 sq.m./month for the best locations in downtown Warsaw such as the Marriott - LIM Center on Jerozolimskie Avenue and the Blue Tower on Plac Bankowy. The poorer quality offices in downtown Warsaw achieve rents between \$10 and \$30 sq.m./month, depending on required renovations, telecommunications facilities, location, etc.

Warsaw is just a step away from invasion of major retail distribution chains such as Marks & Spencer, Pizza Hut, McDonalds and Burger King. Their arrival will mean a growing need for further development on the shop market. The rental rates in borough-owned premises are usually dictated by each borough's social and development policy, and generally are much lower than for comparable premises on the "free market." In downtown Warsaw, rent range in Zloty equivalents from \$5 to \$30 sq.m./month, depending on the location and the type of shop to be installed. In other districts, they can go as low as \$2 sq.m./month. On the "free market" the rents range currently from \$35 to \$80 sq.m./month. Top prices are found in the most exclusive premises located in the newest centers, but a market rate for a well-located shop is closer to \$45 to \$60 sq.m./month.

Industrial areas cover about 2,000 hectares, equivalent to about 5% of the total area of Warsaw. Rents vary from \$2 to \$8 sq.m./month, depending on the location and the amount of refurbishment required. The ones in greatest demand are the premises located within a 10 kilometer-radius of the Warsaw Okęcie Airport. Sale prices range anywhere from \$150 to \$350 sq.m. for production halls located in Warsaw to \$100 to \$170 sq.m. for buildings situated at a distance of 25 kilometers from the city.

Source: Coudert & Rubes - Bourluis, 00950 Warszawa, Krakowskie przedmieście 13.

### THE DEPARTMENT OF DEVELOPMENT PROMOTION

The Department of Development Promotion of the Warsaw City Council promotes activities in such fields as real estate transactions, the development of municipal infrastructure and the participation of private capital in the restructuring of communal enterprises and municipal construction companies.

The city is interested in collaboration in the field of building municipal infrastructure facilities, hotels, retail-service centers, business centers, multi-story garages, etc.

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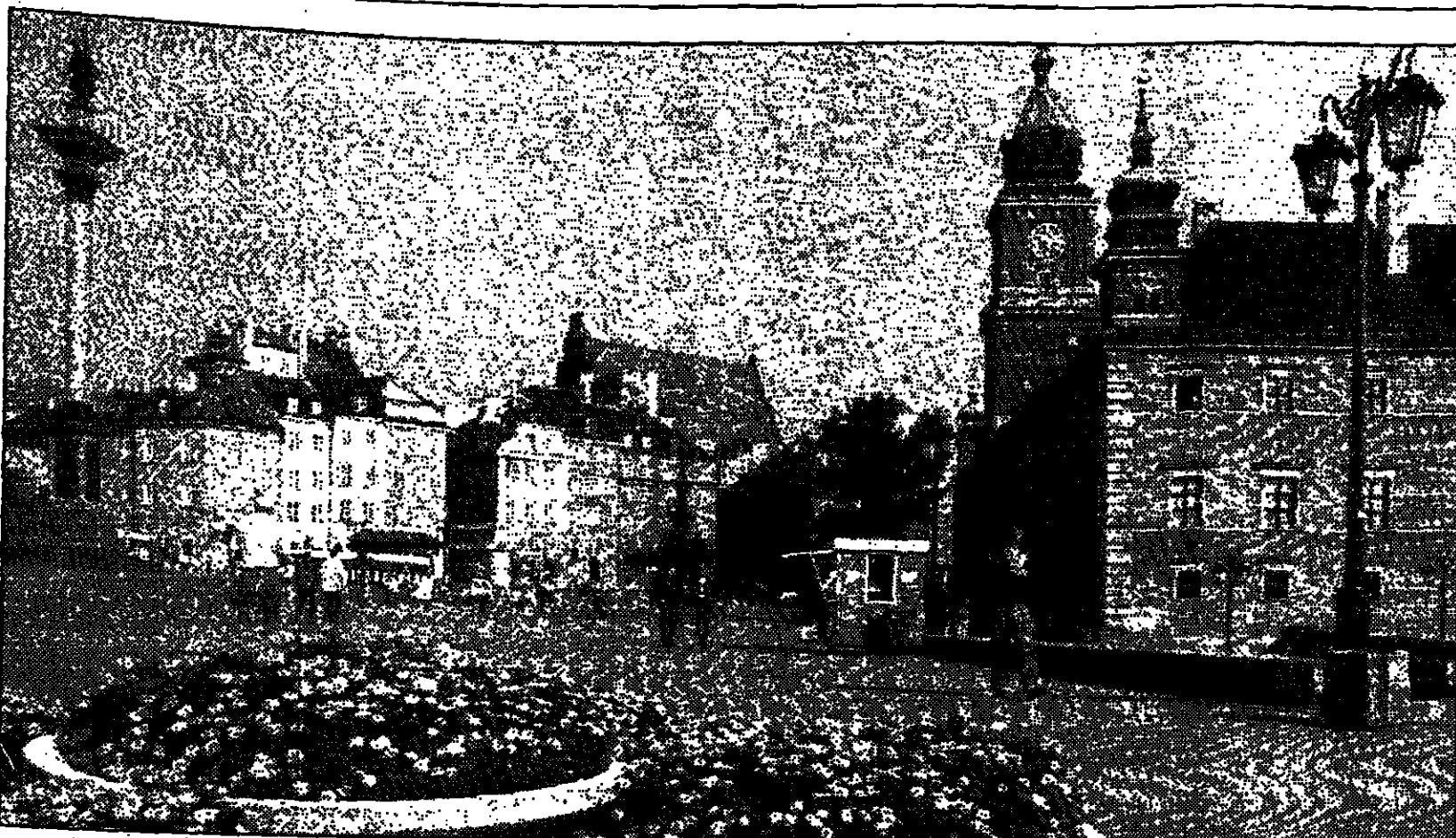
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After being reduced to rubble during World War II, Warsaw has been carefully rebuilt, often reproducing the old architecture, into an elegant, flower-filled city.

## WARSAW EASES THE PATH OF REAL-ESTATE INVESTORS

**P**airing potential investors with property they can develop is not always easy in post-Communist Poland, where property rights from the past affect the present options in often dramatic ways.

Abandoned warehouses may be ideal for storage or distribution, and empty lots in prime downtown locations are promising greenfield sites, but there can be costly, hair-raising delays in getting clear title to these properties.

Four years into the reform process, however, acquiring property is getting easier, although all the problems have not been solved. On national, regional and municipal levels, emergency efforts are under way to streamline the process and to provide clearinghouse offices for investors—at least for the latest information about what is available and what needs

to be pursued further before ownership questions are cleared up.

That job is easier in some cities and towns than others. In many cities, the former Communist government nationalized some properties but not others, and former owners can often prove property claims with deeds that can be verified, leaving only the price to be determined.

Warsaw, the most sought-after city in terms of prime downtown real-estate space and the industrial property surrounding it, posed problems from the outset. The downtown area was almost totally destroyed by waves of aerial bombing 50 years ago this August, when the Warsaw uprising occurred.

When the Soviet rulers succeeded the Germans at the end of World War II, they nationalized all private property in Warsaw, and the rebuilding began. A half

century later, when the first Solidarity government began changing the economic and political systems, privatizing state-owned property was a priority. Accomplishing this was difficult, especially since hundreds of thousands of people paid a pittance in rent for apartments built on the ruins of prewar Warsaw.

One of the first property changes had symbolic value as well as real consequences: the Communist Party was stripped of its massive downtown "white house," which was renovated to house the Warsaw stock exchange and offices for state banks and international development agencies.

In 1990, many "stores" operated on the sidewalks from rudimentary folding tables or camping tents, because there was no way to free up the thousands of empty street-level spaces in

the gigantic bureaucracies, office buildings and apartment complexes.

Today, street trading continues, but tens of thousands of small and large stores have opened to brisk customer traffic on all major streets. The consumer boom has accelerated as a result.

The Warsaw Development Office of the Warsaw city government has taken the offensive in helping investors find their footing. It has surveyed the city's empty plots and vacant property to find out which of them have clear titles and are available for immediate purchase or leasing bids. Sometimes the land is owned by the city itself, a legacy of the 1945 nationalization process, and in some cases, the city can make a deal with an investor.

The city has prepared a map showing empty spaces and empty buildings. Piotr Urbanski, deputy director of

the city council's development office, says, "This is only a first step. You have to look at clear-title issues after this."

The Warsaw Development Office helps in that process, too, but Mr. Urbanski assumes that most investors have their own lawyers and investment counselors to deal with clear-title issues.

Many key downtown sites have been developed, including several new business centers, four-star hotels and office and shopping-mall complexes outside the center. Mr. Urbanski has a list of potential downtown development sites, including a \$250 million, 300,000-square-meter plot adjacent to the central railroad station. Right now, the space is occupied by a maze of bus and taxi lanes, but these could be rerouted to accommodate a major hotel and office skyscraper complex, according to Mr. Urbanski.

## Poland

### VOLATILE STOCK MARKET ATTRACTS NEW PLAYERS

**T**ens of thousands of Poles are playing the stock market. This explains its explosive growth, with the volume of daily transactions surpassing those of major Western stock markets.

That has been a mixed blessing. The president of the stock exchange, Wieslaw Rozluccki, says that the breadth of individual accounts indicates a commitment by rank-and-file Poles to the market but also makes the exchange highly volatile. In one week in April 1994, for example, the exchange plunged by more than 30 percent.

The massive, unpredicted surge to the market in 1993 and early 1994, after a slow first two years, overtaxed the available supply of brokers and the capacity of the telecommunications network linking customers to brokers.

The 700 percent rise in share prices, the highest in the world, alarmed many analysts, who said prices were far beyond what earnings in the 23 companies then being traded might warrant.

The Poles, however, sold other assets and took second or third jobs to get into the market. They formed hours-long lines outside the besieged brokerage houses, clamoring to buy shares or to open new accounts.

When the exchange began in 1991, seven companies were listed, and average transactions for the first year were below 1,000 per trading session.

By April 1994, there were more than 60,000 transactions each session. "The activity of our exchange is a good indicator of future growth," Mr. Rozluccki says. "The average turnover has

been about \$1 million a day."

The bottlenecks in clearing such huge numbers of orders took their toll, coming to a head during the chaotic trading days after the introduction of stock for Bank Slaski early this year. A key Finance Ministry deputy minister and reformer, Stefan Kawalec, was blamed for underpricing the shares on behalf of the government after they shot up to levels dozens of times higher than the original offering bid.

Partly because so few shares were offered and because the brokerage house handling the shares was late in sending out confirmation orders, the price kept skyrocketing. There were 800,000 transactions for the bank stock, driving the investment activity to unexpected levels.

At the end of 1993, there were 28,000 investment accounts; by February 1994, after the Bank Slaski stock went on sale, there were nearly 550,000 accounts. This increased both anxiety and logistical problems. By spring 1994, many more brokers were opening their doors, including some foreign banks with offices here.

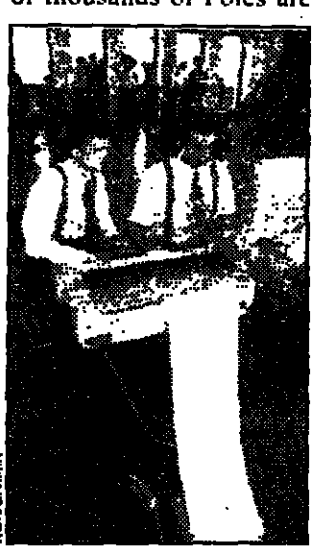
Dozens of other companies prepared to put themselves on the stock exchange. But the trouble over Bank Slaski may have provided the push that caused April's major tumble.

Critics of the exchange included Prime Minister Waldemar Pawlak, whose year-end 1993 speech to Parliament implied that stock-market gains were not entirely legitimate—that real wealth came only from factory production, an echo of past state-socialist dogma. Significantly, however, Mr.

Pawlak took no steps to follow up his Parliamentary rhetoric that might alarm investors. So far, for instance, stock-market gains remain tax free.

Analysts expect that liquidity in the stock market will ease the turmoil. By the end of the year, Mr. Rozluccki expects there to be at least 50 companies on the market. Once the mass privatization program is in full gear, another 300 to 500 companies could be traded on the market, via shares in the National Investment Funds.

Mr. Rozluccki is bracing for further stock market drops and has been preparing Western analysts for that prospect. He notes that tens of thousands of Poles are



The huge volume of activity on the Warsaw Stock Exchange puts a strain even on modern technology.

learning the ropes of the market and judging by what has happened in recent decades in other emerging democratic, capitalist countries like Thailand, Malaysia and Taiwan, "once people are interested, they will stay."

## CROWDED SHELVES TEMPT CUSTOMERS

**T**here is a consumer boom under way in Poland that defies the official statistics, which show low incomes and relatively tight discretionary-spending budgets.

The fast growth in retail stores has provided outlets for the surge of consumer goods. These were at first produced in the West and imported but, increasingly, homegrown products are getting brand-name recognition and are vying for customers with high-gloss packaging and marketing.

This growth has been made possible, in part, by the near-total meltdown of the previous organization of stores and the emergence of more contemporary retail outlets.

One of the understated

factors has been the appearance of self-service stores. They did not exist under the previous political-economic system, which dictated nearly every facet of who sold what to whom. "Customer service" was not high on that agenda.

Before 1990, the long lines outside nearly every small storefront were due to the "shortage economy," in which demand did not determine supply, and to the way the retail sector was organized.

There were no drugstores or grocery stores, let alone specialized hardware, beauty-care or health-food stores. The state-owned Ruch kiosks were the one-stop outlets for virtually all non-food items, including newspapers and magazines, cigarettes, soap, condoms, lip-

stick, deodorant and even bus tickets. The few exceptions were stores organized generically, such as the *piernoszy* stores—the only places to find anything connected with paper, such as notepads, file folders, stationery and toilet paper.

In these shops, as in the cramped grocery, milk, bread or meat shops, store clerks were on one side of the counter with the goods behind them and customers were on the other side, crowding against each other. Impatience and short tempers were the norm, especially since shopping was squeezed into the working day because stores closed early, by government fiat.

Today, there are 24-hour stores selling groceries or liquor, and providing rental cars or duplicating services.

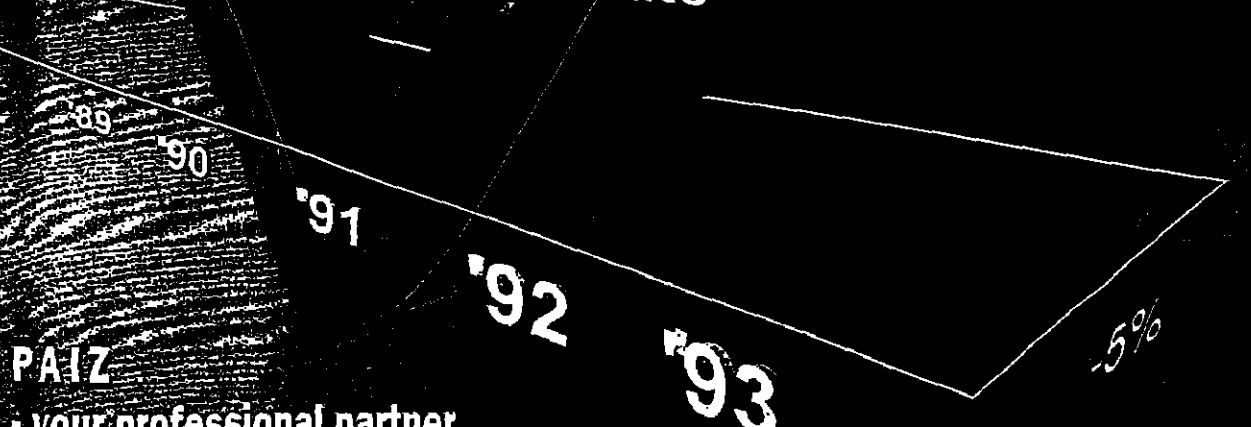
Specialized shops, including pet stores, garden-service shops, computer equipment and software stores, beauty salons, perfume shops and contemporary home-furnishing markets, are doing exploding business.

Everywhere, self-service is becoming the norm. This has fueled a huge increase in customers and in sales. Producers sometimes do their own door-to-door marketing and delivery, while distribution channels involve trucks, warehouses, and sales and supply staffs.

In Warsaw and a growing number of other cities, there are not only warehouse-sized food markets but also many medium-sized markets packed with an enormous variety of food products vying for eye-level shelf or freezer space.

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# Poland

## TOURISM: AN OPPORTUNITY WAITING TO BE EXPLOITED

Poland is a country of lakes and mountains, historic castles and ancient city squares. In short, it could be a tourist haven, but so far, that is the potential, not the reality.

The number of foreign visitors to Poland nearly tripled between 1990 and 1993, from 22 million to 60 million.

Some were consultants, part of the "Marriott brigade" of foreign advisors on privatization or banking reform. Increasingly, they were real tourists as well as travel agents scouting the landscape.

Today, with most resorts no longer financed by state enterprises, there is a glut of unused, low-tech vacation homes in Poland that can be rented or purchased by outsiders.

More than 2,000 of them are controlled by the Employees Holiday Fund coordinated by OPZZ, the labor union once attached to the Communist Party. Hundreds of other resorts are controlled by medium- and large-sized companies, which are scaling back such "social" and "non-produc-

tive" assets as they approach the capitalist market.

The problem in developing Poland's tourist industry is far more complex than lack of money. In the past, there were few hotels, and there are not many today, beyond the vast network owned by Orbis, once the state tourism monopoly, which is now in the process

### Holiday cottages become available

of being divided into separate commercial entities, with employees and managers owning most of the assets. Orbis hotels are a mixed bag, with most needing much renovation. There is little competition from other private hotels in most cities.

In addition, there is a vacuum in the most basic information about tourist attractions, from maps to computer-connected travel agencies, and the amenities that underlie any tourist industry: road signs, rest stops, cafes and equipment-rental shops.

There now are 7,000 travel agencies in the country,

and some communicate with each other via computers and reservations networks. Most do not.

A beginning has been made, however, in developing tourism facilities. Windsurfing is taking off as a water sports in the Mazury lake district, where local entrepreneurs are starting windsurfing camps, sailboat races and summer campgrounds.

Some enterprising village and town mayors from the Mazury Lake districts are looking for tourism models in rural France and Italy and returning home to help local farm families learn the basics of setting up a national bed-and-breakfast network.

A rare manually operated set of locks and dams on the interconnected lakes from Ostroda to Malbork is being renovated and will be introduced to a broader public this spring for boat trips from two hours to 15 hours long, as well as a high-speed boat trip to St. Petersburg and back.

Western-trained managers of new private travel agencies, such as Warsaw's Polish Travel/Quo Vadis, are working hard to attract foreign tourists, and new asso-



Credit cards are accepted in the new Warsaw, even by artists selling pictures on the street.

ciations of private tourist-industry owners have been organized by Polish Travel's Dariusz Palecki to compete for the foreign tourist trade. They also intend to put pressure on their towns and cities to cut through red tape that thwarts progress in setting up new cafes and tourist shops.

A foreign-owned agency, Will Rogers Travel, is helping the growing Western community explore the vast outdoors activities that Poles have known about all along, from mountain hiking to canoeing in the Mazury lakes.

Andrzej Voigt, a vice president of the State Foreign Investment Agency (PAIZ), is also on the board of Orbis and is helping coor-

dinate foreign-aid efforts to develop tourist potential in Poland. Help with tourism infrastructure is coming from the European Union's Phare Fund. The Foundation for Development of Polish Agriculture is helping rural women to set up bed and breakfasts for tourists.

"The demand is here," says Mr. Voigt. "This is becoming quite a competitive market. We need more tour operators within the country who will market Poland and prepare tourism offers. We have a countryside that is very interesting - old castles, old palaces, monuments, mountains, the sea - and this information is not well exploited. It's a big opportunity."

## FIRST STEPS ON ROAD TO MASS SHARE-OWNING

By the middle of 1994, Poland's long-debated, often-delayed mass privatization program will take a big step forward when the government chooses managers for the National Investment Funds (NIFs), which will control a portfolio of 20 to 30 state-owned enterprises.

Up to 600 enterprises will eventually be included in the NIFs, and shares in most of them will be available through the stock exchange. All adult Poles will get a package of shares as their investment in Poland's transition to democratic capitalism. They can keep, sell or trade the shares. The experts expect all but about 500,000 of the 10 million eligible Poles to sell their shares.

The competition for fund managers was delayed for years by the recurring political paranoia about foreign influence. While such concerns as assuring that Poles had a sizable presence on the supervisory boards were addressed, the program went through many transformations. In the meantime, foreign investors had time to show that they would create jobs and wealth for the country.

More than three dozen investment bankers and other fund-management experts competed for the NIF management jobs, and thousands

more applied to be on the supervisory boards.

This is expected to be far more of a hands-on restructuring process than the normal management of an investment portfolio. It may also remain a political pressure cooker. If an enterprise can be made competitive only by shedding obsolete functions, the issue of what happens to the workers employed there will be closely watched by Parliament and the workers themselves.

"In American terms, this would be more like venture capital funds," says Jerzy Thieme, the godfather of the

### Western money is channeled into Poland

NIFs and a former Citibank executive in London, who has survived four different administrations to supervise the development of the NIFs. "In French terms, they would be seen as development funds. The point is this is an active approach, not a passive role as would be true for trust funds." Ultimately, the NIF shares will increase the capital market in Poland by 10 to 20 times the current level. Mr. Thieme says, with up to 470 companies going on the stock exchange through the NIFs in the coming years.

The value of the package of shares that will go to every Pole over the age of 18 will be set at around 50,000 zlotys (about \$22). Each Pole will then have the option of becoming a player on the market without having to pay steep brokerage fees. What that will buy, in terms of the worth of companies within the NIF portfolios, will have been set by the stock market itself. "We will avoid time-consuming asset evaluation processes," Mr. Thieme says. "The capital market role cannot be overestimated."

Three years ago, critics

worried that the market could not absorb a million "investment intangibles."

Mr. Thieme says, but the maturation of the stock market has eased those fears.

"We estimated that we might have 500,000 people actively involved as a result of these shares, and we already have more than 500,000 investment accounts open today," he adds.

The settlement of the London Club debt this spring was a major incentive for new investors to step in, and a half-dozen or more investment funds are in the works. The European Union's Phare Fund has commissioned a study of state-owned enterprises with between 250 and 500 employees that may be well-managed and profitable but had gotten lost in the urgent attempts to privatize the gigantic enterprises.

This group is also the focus of venture capitalist L.G. Bonar, who raised \$42 million for Polish investments by trading his international UNP Holdings, on the Toronto stock exchange. "We are the only foreign company that invests directly in Poland and whose stock is traded in the West," he says. Most of the shares are held by 30 large institutional investors, such as J.P. Morgan and Morgan Stanley. Mr. Bonar studied more than 500 enterprises, looked more closely at 50 and as of March had invested in three, with a half-dozen other deals contemplated in the next year.

Until now, the capital privatization process has been tortuous, partly because it has been so politicized, with signoffs from Workers Councils often given more freely than permission from key government ministries. Many state-owned enterprises became private through liquidations, with assets being divided for sale in separate parts rather than through the capital privatization process.

## WEST MEETS EAST TO TALK ECONOMICS IN WARSAW

Poland is moving quickly to strengthen security and economic ties to the West through NATO's Partnership for Peace program and expanded links to the European Union, with the eventual aim of full Polish EU membership.

On May 6, Poland becomes the first of the former Soviet bloc satellites to host a meeting of the economic ministers of the

world's seven major industrialized countries (the G-7) and the economic chiefs from the region's 10 emerging democracies. The meeting will take place in Warsaw.

The sometimes overwhelming problems that face the 10 East European countries will once again be the main item on the agenda, along with the sort of help that can be expected from

Western governments and investors.

Poland takes pride in the choice of Warsaw as the site for the meeting, seeing it as an indicator of the pivotal role Poland can play internationally. The country offers an example of the boom that can be brought about by a change of direction from state socialism toward a market economy.

The meeting of ministers will be able to review far more rapid progress on both the security and economic fronts than was projected even a year ago. Pressure from Germany and the United States is reported to have been a major factor in broadening NATO's shared programs for training, passing information and even taking part in joint military maneuvers.

The meeting is expected to be a landmark in the process of integrating the former Soviet bloc into the Western world. It will also be a major step in the process of creating a new European security architecture.

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## SPORTS

For Argentines,  
Chance to Shine  
With Batistuta

By Ken Shulman

Special to the Herald Tribune

FLORENCE — The defending world champions were in a fix. Less than six months separated Argentina from the opening match of the 1990 World Cup, and after more than half a dozen tryouts, the team's coach, Carlos Bilardo, still had not found a suitable center-forward.

In an act of desperation, Bilardo even tried to coax the former Real Madrid striker Jorge Valdano out of his two-year retirement to serve his country. And the injury-wrought veteran proved to be just another faulty plug for the gaping hole in the middle of Argentina's attack.

In Italy, on the strength of Diego Maradona's left-footed magic, of a series of strategic fouls, and especially of Sergio Goycochea's instincts and reflexes in goal during penalty kick shoot-outs, puncheon Argentina scraped its way into the 1990 World Cup final, where it lost, 1-0, to Germany.

But what might the scrappy South American team have done had it discovered Gabriel Batistuta just one year earlier. And what will it be able to do this summer in the United States, with him.

"I have always scored in decisive matches," said Batistuta, his long, blond hair sparkling in the late-afternoon sunlight at the Antonio Franchi Stadium. "The Argentine team depends on me for this, and up to now I have always responded."

Born in the town of Recoquista in the province of Santa Fe, Gabriel Omar Batistuta, 25, is now the final destination of nearly all of Argentina's offensive inquiries.

"Gabriel is a classic center-forward," said Francesco (Ciccio) Baiamo, Batistuta's attack partner on the Fiorentina club team. "He knows how to get free in the penalty area; he has power in both feet, and he's very good in the air. And being so strong, he tends to draw more than one defender, opening up spaces for me and for his other teammates."

The son of an office worker who originally wanted him to be a doctor, Batistuta looks more like a blow-dried rock star than a rough-and-tumble goal-scoring ready to trade elbows and knees with ruthless Italian defenders. After finishing high school, Batistuta joined the junior club of the Newell's Old Boys and washed windows at the stadium after practices and matches to earn pocket money.

In 1990, he moved to Boca Juniors, and in his second year there scored 11 goals in 19 matches. His power, scoring ability and, most of all, his strong, assertive presence in the penalty area caught the attention of Alfio Basile, who coached the national team and summoned Batistuta for the 1991 South American championships.

Batistuta's second season at Boca also caught the eye of Vittorio Cecchi Gori, who had just become vice president of the Fiorentina club. Fiorentina had sent an observer to film Batistuta's Boca Juniors teammate Diego Latorre, a skillful dribbler and passer whom the Italian club had already signed.

While viewing videotapes of Latorre, Cecchi Gori could not help but notice a tall, powerfully built center-forward who dominated the area around the opposition's goal mouth. That player was Batistuta. On the sole basis of the videotapes, Cecchi Gori purchased Batistuta for Fiorentina at a cost of \$4 million.

For Basile, and for Cecchi Gori, the bet on Batistuta paid off. In his first major tournament with the Argentine national team, Batistuta scored six goals to lead all scorers in the Copa America, spearheading his team to the South American championship. Firmly, Batistuta scored the winning goal in Argentina's 2-1 defeat of Colombia in the final.

In his first Italian season—a trial by fire that has stilled some of the world's greatest talents—Batistuta responded with 13 goals. His scoring prowess—and his sexy, swaggering but somehow clean-cut appearance—immediately endeared him to the Fiorentina fans.

The following year, he scored 16 times in league play, but could not keep Fiorentina from dropping into the second division. This year, with Fiorentina in first place and assured of returning to the first rank, Batistuta has scored 14 times.

With Maradona's glory having faded, and the suspension of Claudio Caniggia, Batistuta has also become the emblem of the Argentine team. In the 1993 Copa America, he scored three times to win its second consecutive continental title.

Then, during the tortuous World Cup qualifying campaign, he was the only player whose presence and role were never discussed by the obsessively critical Argentinean press. Still, more than anyone else, he supports the return of both those troubled players, Maradona and Caniggia, to the national team.

"Before he was suspended, Caniggia was the player who usually set me up for goals," Batistuta said. "And Maradona is still the greatest player in the world. He can turn a player in a match at any moment. With a pass, a cross or a free kick. He can make the difference even if he plays on one leg."

Although Argentina was anything but overwhelming during its qualifying run—Batistuta's club squeaked into the finals in the United States by downing Australia in a two-match playoff, 1-0, of which Argentina won, 1-0, thanks to Batistuta's goal—Batistuta is sanguine about his country's chances this summer.

"Argentina was playing very well until the qualifying round," he said. "Then something went wrong. But I'm very confident about this team. All of our players are very good. We play an offensive game. Argentina has always focused more on our opponent's goal than on our own."

Batistuta knows that both his teammates and his countrymen expect a lot from him.

"If we're going to proceed in the tournament, it means that I will have to score," he said. "It's a big responsibility, because Argentina is not like other countries. In Argentina, they don't know how to lose. And when the team loses, it's a tragedy."

## 40 Years Down a Record Mile, Only Bannister's the Same

By Ian Thomsen

International Herald Tribune

OXFORD, England — "So," Nourdinelli Morceli was saying a little nervously the other day in London, "it was 40 years ago."

"Yes, yes," Sir Roger Bannister said. "Well," Morceli said — because what else could he say? — "I have been hearing about it all my life."

Forty years ago on Friday, Roger Bannister ran the first four-minute mile. The celebration has gathered around him 13 others who have held the world record in the mile.

Morceli seemed embarrassed to bring up the differences between them, for his current record of 3:44.39 would have beaten Bannister's time by 200 meters. Those differences fascinate Bannister. Standing alone the 24-year-old Algerian for the television cameras and photographers, Bannister wanted to know what had changed, exactly. How many weeks do you train at high altitude, he asked out of the side of his mouth. Which is your favorite event? Shaking hands, another pose, Bannister turned to ask how an athlete like Morceli might evolve. Will you ever run the 5,000 meters? The 10,000 meters? And what, Dr. Bannister inquired, will you do afterward?

"I don't know," Morceli said. "I have no plans."

Bannister helped: "Will you be involved in some kind of coaching?" Morceli frowned. "Probably," he said. "Yes. Some kind of coaching."

It was not the innocence of the 1950s that created Roger Bannister, but rather the sincerity of his time. He might not have been running in 1954 if he had not been disappointed in the 1952 Olympics in Helsinki, where he finished fourth in the 1,500 meters. The four-minute mile for which he was destined was supposed to be an impossibility, an ultimate test of the human spirit, but what Bannister wanted more than anything was to become a doctor.

He proved this by working out as little as 30 minutes a day, midst his medical training. It was as difficult for him to find that time 40 years ago as it is for most of us today to make it to the gymnasium after work. He did not even have time to warm up, to stretch before his

training. The rest of us now are as professional as he was then.

The morning of his run 40 years ago was much like the morning which greeted him Thursday at the Iliffe Road track where he gathered with the other famous milers. It was cold and rainy, and he was thinking of postponing his attempt on the record. His Austrian coach, Franz Stampfl, warned Bannister that he might never forgive himself for not trying. One wonders whether Bannister remembers that advice each time he sees his friend, John Landy of Australia.

Bannister swears that his goal was not to run the mile in less than four minutes, but to beat Landy in the Empire Games at Vancouver that August. He knew that Landy was in Finland, preparing an attempt at the four-minute mile. He knew also that he could not beat Landy with a time of more than four minutes. Indeed, Landy would break Bannister's record within 46 days, with a time of 3:57.9 — but the anniversary will always be Bannister's, for better and for worse.

A half-hour before the race, Bannister decided, once and for all, to try. His training partners, Chris Chatterway and Chris Brasher (the 1956 Olympic steeplechase champion), set the

pace for him. Bannister hadn't trained for five days — he believed rest made him edgier — and on the first lap he was yelling at Brasher to run faster. But Brasher held coolly to their plan. The first lap went down in 57.4 seconds, the split in 1:58.2 — they had expected 1:59. The penultimate lap was slower than they wanted, the bell sounding at 3:00.5.

"But I knew I could run a 59-second lap," Bannister said patiently. The four-minute mile has been surpassed more than 3,600 times, and Bannister has recounted his own many times more than that.

There were only a few reporters at the track in 1954, and one BBC camera, for the attempt was almost a secret. Its revelation overwhelmed the audience of 1,100 as Chatterway fell behind and Bannister kicked into a higher speed for the final 250 meters. The most famous photograph of him — chest thrust forward, eyes shut and spent, and a young man squealing in the background — has taken on the aspects of a Norman Rockwell painting.

The track announcer was Norris McWhirter, who had helped Bannister plan his attempt and would later, with his twin brother Ross, create the Guinness Book of World Records. He said, "Ladies and gentlemen, here is the result of

event No. 9, the one mile. First, No. 41, R.G. Bannister of the Amateur Athletic Association and formerly of Exeter and Merton Colleges, with a time which is a new meeting and track record and which, subject to ratification, will be a new English national, British national, British all-comers, European, British Empire and world record. The time is three . . .

3:59.4.

On Thursday morning, Roger Bannister, qualified as a doctor in 1955, knighted in 1975, was lured onto the Iliffe Road track once more. His black cinder surface had been replaced by a faster red synthetic topping. The runner ever since became a neurologist, but our age has not maintained his perspective. There must have been 40 cameras operating on the track, the photographers asking him to walk the final steps he ran 40 years before.

"Stand there," one shouted at him, "just in front of the finish line."

You could almost read his mind as he stood, 65 years old, only the center of his face reminiscent of the miler, and the rain pelting his bald head. If it had been like this 40 years ago he would have clenched a fist and smiled grudgingly. He would not have had time for this 40 years ago.

The audience drowned out the rest of it: 3:59.4.

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COLD SPELL — José-Maria Olazábal, weathering a spot of trouble in St. Mellion, England, shot 4-over 76 Thursday and trailed co-leaders Seve Ballesteros and Phillip Price by 7 strokes in the Benson and Hedges International Open.

Brazilian Star's  
Father Is Held  
For Ransom

Compiled by Our Staff From Dispatches

RIO DE JANEIRO — The father of Brazilian soccer star Romário, Edmar Souza de Faria, has been kidnapped and his abductors are demanding \$7 million in ransom.

Helio Vieg, head of Rio's anti-kidnapping squad, confirmed Thursday that the kidnappers had demanded \$7 million in ransom, and said police were investigating. But would not provide further details, except that the family had notified police of the kidnapping only on Wednesday.

Faria, 62, reportedly was grabbed Monday night as he left a bar he owns in the Penha district on Rio's north side.

The Journal do Brasil said Romário had been told and was expected to fly back from Spain, where he plays for Barcelona.

(AP, Reuters)

## SIDELINES

## Holy Bull Favored in Kentucky Derby

LOUISVILLE (AP) — Holy Bull drew the No. 4 post position and was made the 8-5 early favorite for Saturday's Kentucky Derby as a field of 15 was entered Thursday. Track odds maker Mike Battaglia made Santa Anita Derby winner Brocco the second choice at 3-1, while the next choice was Tabasco Cat, at 6-1.

The field, in post position order, with odds and jockeys: Soul Of The Matter, 20-1, Kent Desormeaux; Valiant Nature, 12-1, Laffit Piquet; Powis Castle, 30-1, Chris Antley; Holy Bull, 8-5, Mike Smith; Ulises, 30-1, Jorge Chavez; Mahogany Hall, 30-1, Willie Martinez; Sirocco Creek, 8-1, Eddie Delaunoy; Go For Gin, 15-1, Chris McCarron; Tabasco Cat, 6-1, Pat Day; Brocco, 3-1, Gary Stevens; Sammie Singin' Sam, 30-1, Larry Melancon; Southern Rhythm, 15-1, Garrett Gomez; Blumfin Affair, 15-1, Jerry Bailey; Meadow Flight, 30-1, Shane Sellers; and Kandaly, 30-1, Craig Perret.

## 3 More World Cup Matches Sold Out

NEW YORK (AP) — Three more World Cup matches — Brazil vs. Russia in Stanford on June 20, Bulgaria vs. Greece in Chicago on June 26, and the quarterfinal on Foxboro on July 9 — have sold out, U.S. organizers said Wednesday.

Single-game tickets remain for 26 matches, including all those in Dallas and Pontiac, and for two of three games involving the U.S. team. About 200,000 of the 450,000 available single-game tickets have been sold. The telephone number to call in the United States is: 212-363-6300.

## For the Record

Pete Sampras and Jim Courier were named to play singles for the U.S. Davis Cup team in the quarterfinals in Rotterdam in July. (Reuters)

Kevin Johnson of the Phoenix Suns was named to the U.S. team that will compete in this summer's World Championship of Basketball in Canada, replacing the injured Isiah Thomas. (AP)

Canadians Defeat Czechs, 3-2,  
Gain World Hockey Semifinals

The Associated Press

MILAN — Shayne Corson of the Edmonton Oilers scored with 2:34 left to play to give Canada a 3-2 victory Thursday over the Czech Republic and set up a re-match with Sweden at the World Ice Hockey Championships.

Later, the Finns hammered Austria, 10-0, to give Team USA a second crack at them after a 7-2 rout in the preliminaries. The semifinals Saturday also gave Canada a chance to make up for its second-round loss in the gold medal game at the Olympics.

Top NHL prospect Paul Kariya got a goal and an assist, tying Russia's Valeri Kabanov as the tournament's top scorer with 10 points.

At 17:26 in the third period, after numerous shots on both goals, Corson put the puck just under the crossbar, tipping in a pass from the Quebec Nordiques' Joe Sakic.

The Czech Republic's potent pair of Pittsburgh Penguins, Jaromir Jagr and Martin Straka, got the first goal. Jagr passing from behind the net for his teammate to score at 4:12 of the first.

Canada answered at 12:20 when Brendan Shanahan of the St. Louis Blues scored on assists from Kariya and the Edmonton Oilers' Jason Arnott. (AP)

## SCOREBOARD

## BASEBALL

## Major League Standings

## AMERICAN LEAGUE

## East Division

## West Division

## NATIONAL LEAGUE

## East Division

## West Division

## Wednesday's Line Scores

## AMERICAN LEAGUE

## National League

## BASKETBALL

## Wednesday's NBA Playoffs

## New York

## New Jersey

## Los Angeles

## Phoenix

## Portland

## Seattle

## Utah

## Washington

## Wednesday's Game

## Jordan vs. Hakeem

## Jordan vs. Hakeem

## Jordan vs. Hakeem

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## Jordan vs. Hakeem

## HOCKEY

## Wednesday's NHL Playoffs

## First Round

## Second Round

## Third Round

## Fourth Round

## Fifth Round

## Sixth Round

## Seventh Round

## Eighth Round

## Ninth Round

## Tenth Round

## Eleventh Round

## Twelfth Round

## Thirteenth Round

## Fourteenth Round

## Fifteenth Round

## Sixteenth Round

## Seventeenth Round

## Eighteenth Round

## Nineteenth Round

## Twentieth Round

## Twenty-first Round

## Twenty-second Round

## Twenty-third Round

## Twenty-fourth Round

## Twenty-fifth Round

## FOOTBALL

## ATLANTA

## BOSTON

## CHICAGO

## CINCINNATI

## CLEVELAND

## DENVER

## DETROIT

## DALLAS

## DENVER

## DENVER

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